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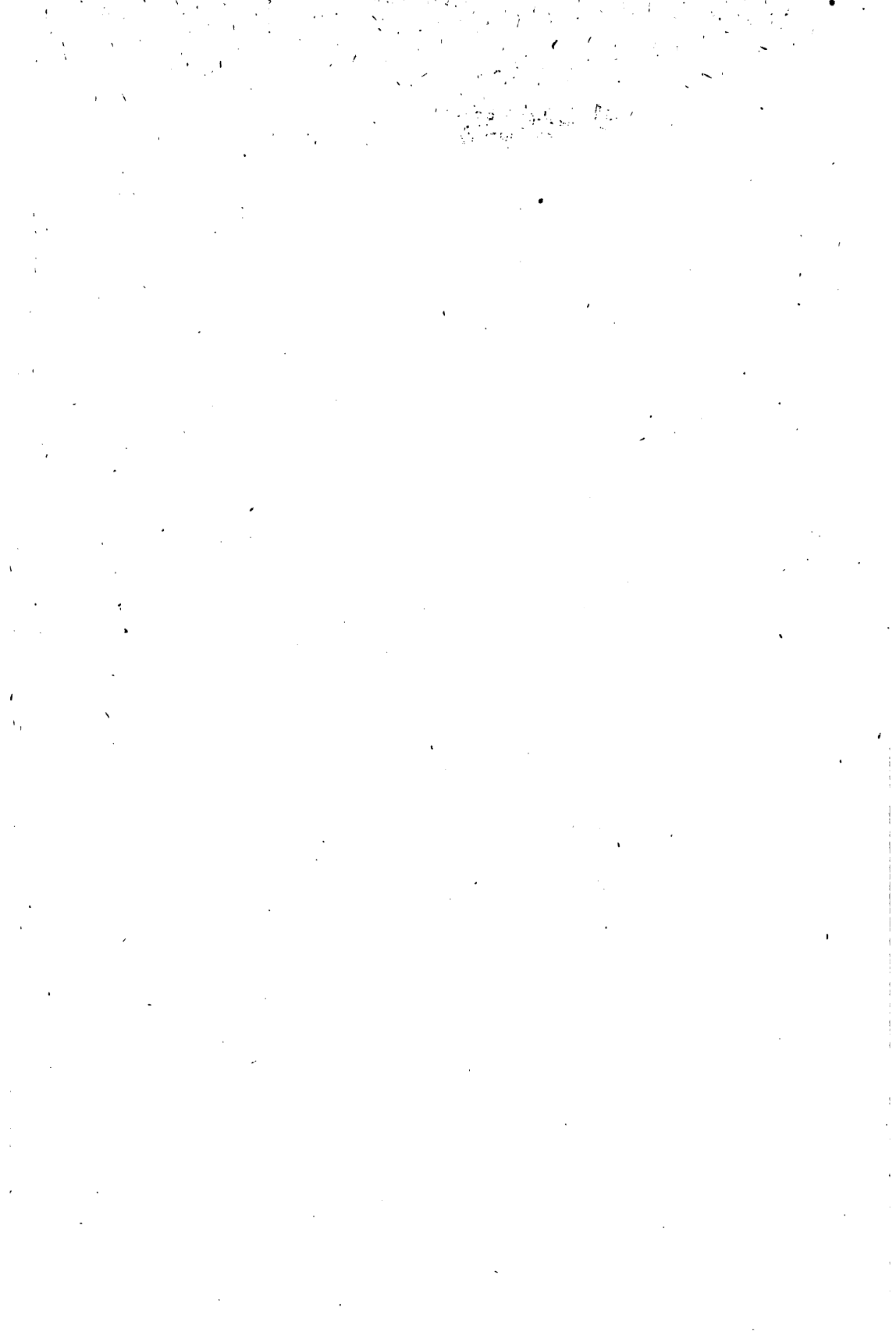
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*DR. ISIDOR SINGER,

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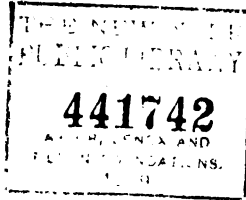
PROCEEDINGS
OF THE
THIRTY-SECOND ANNUAL MEETING
OF THE
FIRE UNDERWRITERS' ASSOCIATION
OF THE NORTHWEST.



CHICAGO, ILL., SEPTEMBER 25-26, 1901.

PRINTED BY ORDER OF THE ASSOCIATION.

1901.



PRESS OF
WRIGHT & JOYS COMPANY,
MILWAUKEE, WIS.

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THIRTY-SECOND ANNUAL MEETING

OF THE

FIRE UNDERWRITERS' ASSOCIATION

OF THE NORTHWEST.

PRESIDENT.

P. D. MCGREGOR.....CHICAGO, ILL.
 Manager Western Department Queen Insurance Co. of America.

VICE-PRESIDENT.

GEORGE W. HAYES.....MILWAUKEE, WIS.
 Manager Western Assur. Co. and British America Assur. Co., Toronto.

TREASURER.

JOSEPH A. KELSEY.....CHICAGO, ILL.
 Manager Aachen & Munich Fire Ins. Co.

SECRETARY.

D. S. WAGNER.....CHICAGO, ILL.
 Adjuster.

BOARD OF DIRECTORS.

P. D. MCGREGOR, Manager Western Department Queen Ins. Co.
 of America.....CHICAGO, ILL.
 J. A. KELSEY, Manager Aachen and Munich Fire Ins. Co....CHICAGO, ILL.
 JOHN MARSHALL JR., Manager Fireman's Fund and Home
 Fire and Marine Ins. Cos.....CHICAGO, ILL.
 R. D. HARVEY, Special Agent New Hampshire Fire Ins. Co...CHICAGO, ILL.
 S. D. ANDRUS, Special Agent Prov.-Washington Ins. Co.....CHICAGO, ILL.
 R. H. HUNTER, Special Agent Commercial Union Assur. Co..CHICAGO, ILL.
 D. S. WAGNER, Adjuster.....CHICAGO, ILL.
 GEO. W. HAYES, Manager Western Assurance Co., and British
 America Assurance Co., Toronto.....MILWAUKEE, WIS.
 H. N. WOOD, Special Agent N. British & Mercantile Ins. Co..OMAHA, NEB.
 C. C. MARTIN, Special Agent Norwich Union Fire Ins. So..KANSAS CITY, MO.
 J. IRVING RIDDLE, State Agent Phenix Ins. Co., N. Y..TERRE HAUTE, IND.
 GEO. P. McMAHON, State Agent Mich. F. & M. Ins. Co...DETROIT, MICH.
 WALTER H. COBBAN, Special Agent Manchester Fire Assur-
 ance Co.....MINNEAPOLIS, MINN.

PROGRAM OF THIRTY-SECOND ANNUAL MEETING.

FIRST DAY.

OPENING SESSION—9:30 A. M.

Reports of Standing Committees. Election of New Members.
Reports of Officers.

PRESIDENT'S ADDRESS.

ANNUAL ADDRESS—MR. J. F. DOWNING, Erie, Pa., General Agent Insurance Company of North America and Philadelphia Underwriters.

PAPER—"Theory vs. Practice," MR. FRED W. WILLIAMS, Chicago, Ill., Special Agent Aachen & Munich Fire Insurance Company.

DISCUSSION.

AFTERNOON SESSION—2:30 O'CLOCK.

PAPER—"Inspections, Personal and Otherwise," MR. H. F. CORNELL, Detroit, Mich., General Agent German Insurance Company of Freeport, Ill.

DISCUSSION.

PAPER—"Insurance, from the Local Agent's Standpoint," MR. JACOB WACHENHEIMER, Peoria, Ill., President Illinois Association of Local Fire Insurance Agents.

DISCUSSION.

PAPER—"Scientific Fire Rating, from an Actuary's Standpoint," MR. MILES MENANDER DAWSON, New York City.

DISCUSSION.

PAPER—"The Bright Side," MR. J. F. STAFFORD, New York City, General Agent Eagle Fire Company.

DISCUSSION.

SECOND DAY.

MORNING SESSION—9:30 O'CLOCK.

PAPER—"Adjustments and Public Opinion," MR. W. J. GREER, Milwaukee, Wis., Manager Wisconsin Branch Western Adjustment and Inspection Co.

DISCUSSION.

PAPER—"Reciprocal Relations of the State in the Supervision of Insurance," MR. W. H. HART, Indianapolis, Ind., State Auditor.

DISCUSSION.

PAPER—"The Local Association," MR. C. S. PELLET, Chicago, Ill., President Chicago Underwriters' Association.

DISCUSSION.

PAPER—"The Ideal verses the Real in Fire Insurance," MR. J. F. MCSWEEN, Omaha, Neb., Special Agent Franklin Fire Insurance Co. of Philadelphia.

DISCUSSION.

AFTERNOON SESSION—2:30 O'CLOCK.

Reports of Special Committees.
Election of Officers for the ensuing year.
P. D. MCGREGOR, President. D. S. WAGNER, Secretary.

PROCEEDINGS

OF THE

Thirty-Second Annual Meeting of the Fire Under- writers' Association of the Northwest,

*Held at the Auditorium Hotel, Chicago, Ill.,
Sept. 25 and 26, 1901.*

FIRST DAY.

OPENING SESSION.

WEDNESDAY, September 25, 1901.

The meeting was called to order at 9:30 o'clock A. M., the President, Mr. P. D. McGregor, in the chair.

Present: D. S. Wagner, Secretary, and the following regular members, viz:

Abbott W. S.	Barnum Raynolds	Bort L. W.	Carver J. G.
Adams Geo. W.	Barnum W. L.	Bowers F. W.	Cary Eugene
Alexander F. W.	Barry Chas. H.	Brant J. A.	Caswell Jas. H.
Allabach E. W.	Bawden E. T.	Briggs N. E.	Cate S. E.
Althouse W. L.	Becker E. A.	Brooks F. S.	Cavanagh W. A.
Anderson Lew W.	Belden J. S.	Brown Wm. C.	Chamberlin W. O.
Andrews C. L.	Bell G. H.	Bullard A. F.	Chapman E. F.
Andrews D. W.	Benedict H. F.	Burke F. H.	Chapman W. A.
Andrus S. D.	Benedict H. O.	Burns M. J.	Chrissinger I. M.
Armstrong G. A.	Bennett R. M.	Burrows D. W.	Clemmons W. H.
Atwater Walter E.	Blackwelder I. S.	Bush Henry W.	Clough A. E.
Auerbach B.	Blauvelt Albert	Calley E. J.	Cobban Walter H.
Bailey O. M.	Bliven Waite	Campbell S. F.	Collins B. F.
Baker Thos. Jr.	Bloom Nelson A.	Campbell Walter	Collins Martin
Baldwin Dean A.	Blossom Geo. W.	Carlisle Henry W.	Colson H. W.
Bament W. N.	Bonar L. J.	Carpenter J. D.	Conklin Walter W.
Barnard C. F.	Boning H. E.	Carr J. H.	Corliss G. D.
Barnes Fred B.	Boorn W. C.	Carson R. B.	Cormany W. A.

Cowles C. S.	Gray J. H.	Littlejohn W. J.	Pinkney A. E.
Crandall A. A.	Greely Otto E.	Livingston J. K.	Rassweller H. H.
Crandall H. W.	Greer W. J.	Loeb Adolph	Raymond M. H. N.
Crandall W. H.	Grenell Howard	Lotz Fred W.	Raynolds Robt. L.
Chriswell B. F.	Griffith J. H.	Loudon H. R.	Redfield A. P.
Cromer John B.	Hall Cecil A.	Loudon W. S.	Redfield Geo. E. Jr.
Croskey T. F.	Hall John R.	Lovejoy Geo. M.	Redfield D. W.
Crosley Geo. R.	Hall Theo. D.	Lowry W. D.	Reekie Chas. A.
Dale Walter H.	Halle E. G.	Luce Fred B.	Rimington H. H.
Dana Francis	Hanrahan John	Lucus J. C.	Reynolds M. A.
Daniel T. R.	Harding A. J.	MacEnaney L. L.	Richards Guy A.
Daniel Wm. C.	Hart H. B.	Magill Henry W.	Richardson Chas.
Darlington Hart	Harvey R. D.	Magill M. E.	Riddle Herbert W.
Davies John E.	Haselton F. C.	Main Geo. C.	Riddle J. Irving
Davis Edward T.	Hawkins S. Y.	Main W. E.	Ritchie Frank
Dean A. F.	Hawxhurst W. F.	March Geo. K.	Robertson J. W.
DeMott Howard	Hayes Geo. W.	Mariner W. E.	Robertson W. P.
DeRoode Holger	Heaford H. H.	Marshall John Jr.	Rogers W. A.
DeWitt C. L.	Hebgen Gust.	Martin C. C.	Rollo Wm. F.
Deyo W. S.	Hecox Chas. L.	Matterson David J.	Row Frank G.
Dike Henry A.	Herrick Geo. E.	Mayberry J. J.	Rudy D. A.
Diggins A. B.	Heywood H. B.	McBain W. Fred	Russell M. B.
Dinsley E.	Higbee W. E.	McCabe Frank J.	Ryan Edwin C.
Dox Chas. E.	Higley Chas. W.	McCotter C. A.	Sanderson A. G.
Driscoll M. F.	Hildreth L. E.	McCullough R. G.	Schafer Fred W.
Drum W. I.	Hinckley E. H.	McDaniel F. S.	Schreiver Thor
Dudley W. W.	Hitchcock W. E.	McDonald J. J.	Scott Walter
Duffey B. T.	Hobbins J. N.	McElhone F. H.	Sears M. L.
Dunlop Chas. D.	Hollinshead C. S.	McGregor P. D.	Shepherd John
Dunning F. A.	Hornby Ben H.	McKean R. G.	Shepherd John E.
Easton C. L.	House Geo. H.	McMahon G. P.	Simonson C. F.
Ebbert Geo. G.	Howley John	McMillan L. S.	Singleton J. P.
Eddy H. C.	Hubble John P.	McSween J. F.	Smith T. H.
Edmonds J. F.	Hubble J. W.	Meeker C. G.	Sonnen W. J.
England J. J. L.	Hubble L. J.	Meinel F. A.	Spoerer F. E.
Englemann C. P.	Huff H. M.	Miller C. N.	Stafford John F.
Errett F. J.	Hunter R. H.	Mink Albert C.	Stark L. C.
Eustis Truman W.	Ingram John C.	Monroe A. R.	Stauffer J. Geo.
Evans A. N.	Jardine Robert	Moody L. D.	Steele W. L.
Fargo F. M.	Jessop R. N.	Moore C. H.	Stuart H. C.
Fargo W. D.	Johnson Jas. J.	Moore Geo. H.	Sutton J. R.
Foreman E. P.	Johnston Jas. C.	Moore M. S.	Tallman, J. B.
Fort C. W.	Joseph Jas. F.	Mott Geo. C.	Taylor C. F.
Foster Robt. J.	Kelley Chas. A.	Mueller G.	Thomas John V.
Foster Wm. R.	Kelsey H. N.	Munn E. V.	Tiffany H. S.
Freeman E. S.	Kelsey Jos. A.	Munson E. C.	Timberlake C. S.
Friedley H. H.	Kemp O. C.	Murray H. W.	Townley W. R.
Furlong John P.	King W. L.	Neuberger J. M.	Townsend A. F.
Gadsden J. S.	Kitson Harry	Neuberger John	Tripp S. W.
Gallagher Thos. E.	Kline G. E.	Nolte H. A.	Tuttle L. S.
Garrigue R. H.	Knighton P. H.	O'Brien J. W.	Vandeventer W. E.
Gibbs H. M.	Lee J. O.	Odell R. S.	Van Valkenburg M. W.
Gilbert C. B.	Leisch C. W.	Olds A. C.	Vernor Frank A.
Gilmore B. J.	Lenehan J. H.	Page Wm. E.	Virgin C. R.
Golden W. E.	Lent Loui A.	Palmer H. E.	Vore Milton P.
Gooch Robt. E.	Letton T. W.	Parker Louis H.	Walker H. H.
Goodloe T. M.	Lewis I. J.	Parsons R. L.	Wallace W. G.
Gordon Fred F.	Lidster R. D.	Penfield Geo. F.	Wardle H. M.
Gray H. P.	Little F. W.	Phillips H. O.	Warner Lansing R.

REPORT OF SECRETARY.

11

Warren W. S.	West B. L.	Williams Fred W.	Wood H. N.
Washington H. B.	Wetmore E. R.	Williams Geo. G.	Wood W. J.
Wasson A. M. L.	Wheeler E. S.	Windle Jos. J.	Woodbury Cyrus
Welch Ira	Whilden W. G.	Wisner W. K.	Wright John C.
Wells David W.	White H. W.	Witherbee W. E.	Wright J. O.
Wells H. M.	Whitlock J. L.	Witkowsky Conrad	Wright W. J.
Welpton D. B.	Whitney F. H.		

Press represented as follows:

Chas. A. Hewitt.....	<i>Insurance Post.</i>
Carlton Brown.....	<i>Insurance Report.</i>
A. H. Huling.....	<i>Insurance Herald.</i>
W. E. Grigsby.....	<i>Rough Notes.</i>
C. M. Cartwright.....	<i>Western Underwriter.</i>
H. W. Bloomington.....	<i>The Investigator.</i>
P. J. McKean.....	<i>The Argus.</i>
Thomas R. Weddell.....	<i>Inter-Ocean.</i>
C. I. Hitchcock.....	<i>Record-Herald.</i>
M. J. Coward.....	<i>Chicago Tribune.</i>

The President—

Gentlemen, the meeting will please come to order. We will now listen to the reading of the minutes and the roll-call.

Mr. Martin Collins—

I move that the roll-call and the reading of the last minutes of the last meeting be dispensed with.

Motion seconded and carried unanimously.

The President—

The next order of business is the report of the Secretary.

REPORT OF SECRETARY.

Mr. D. S. Wagner—

September 25, 1901.

Membership at Convening of 1900 Meeting.....	592
Admitted at 1900 Session.....	58
Total.....	650
Deaths since 1900 Session.....	12
	638
Resignations and Delinquents.....	63
Present Membership.....	575

Respectfully submitted,

D. S. WAGNER, *Secretary.*

The President—

The next order of business is the report of the Treasurer, which the Secretary will read.

REPORT OF TREASURER.

Mr. J. A. Kelsey—

RECEIPTS.

September 24, 1900. To Balance.....		\$3,144.31
New Members, Year 1899.....	\$ 12.00	
New Members, Year 1900.....	354.00	
Dues Year 1897.....	5.00	
Dues Year 1898.....	45.00	
Dues Year 1899.....	105.00	
Dues Year 1900.....	2,370.00	
Dues Year 1900—Associate.....	10.00	
Geo. M. Lovejoy, Donation of Special Assessment, Refund to Library Fund.....	5.00	
R. H. Hunter, Donation of Special Assessment, Refund to Library Fund.....	5.00	
Sale of Proceedings.....	20.00	2,931.00
Total Receipts.....		\$6,075.31

DISBURSEMENTS.

Salary of Secretary.....	\$ 450.00	
Salary of Treasurer.....	250.00	
Printing.....	634.00	
Rent.....	300.00	
Refund of Special Assessment of 1897.....	1,625.00	
Postage, Internal Revenue, Express and Exchange.....	108.60	
Miscellaneous Items of Expense.....	78.50	3,446.10
Balance on hand, Sept. 21, 1901....		\$2,629.21
Balance as per Books, Sept. 21, 1901.....		\$2,629.21
Checks Outstanding, No. 91.....		100.00
Checks Outstanding, No. 255.....		5.00
Bank balance, Sept. 21, 1901.....		\$2,734.21

J. A. KELSEY, *Treasurer.*

Approved by Board of Directors, D. S. Wagner, Secretary.

JNO. MARSHALL JR., Chairman.

S. D. ANDRUS.

Finance Committee.

ILLINOIS TRUST AND SAVINGS BANK.

CHICAGO, ILL., September 23, 1901.

MR. J. A. KELSEY, *Treasurer, Chicago.*

DEAR SIR: The balance to the credit of your account with us at the close of business September 21, 1901, according to our books, was two thousand seven hundred twenty-nine and 21-100 dollars (\$2,729.21).

Yours truly,

JAS. S. GIBBS, *Cashier.*

Error of \$5.00 credited September 23, 1901.

ILLINOIS TRUST AND SAVINGS BANK,
NORTH, *Teller.*

The President—

Gentlemen, you have heard the Treasurer's report read, which has been examined and approved by the Finance Committee, and I would call your particular attention to the fact that notwithstanding the expense of the Association has been greater than for some years, we still have a large surplus in the treasury. I think our Treasurer is entitled to the thanks of this Association for the able manner in which his accounts have been kept.

Gentlemen, you have heard the report of the Treasurer. What is your pleasure?

Mr. Otto Greeley—

I move that it be accepted.

Mr. D. S. Wagner—

If nobody else offers such a resolution, I move that it be approved. It has been approved by the Board of Directors.

Motion duly seconded, put by the Chair and carried unanimously.

The President—

The next order of business will be the report of the Finance Committee, Mr. John Marshall Jr., Chairman.

REPORT OF FINANCE COMMITTEE.

Mr. Marshall—

CHICAGO, September 24, 1901.

To Members of the Fire Underwriters' Association of the Northwest:

GENTLEMEN: We, the undersigned Finance Committee, respectfully beg leave to report that we have examined in detail the books and account of Mr. J. A. Kelsey, Treasurer of this Association, and find same to be absolutely correct, and take great pleasure in stating that this report shows a balance on hand in the Illinois Trust and Savings Bank, at this date, of \$2,734.21, which, after deducting two

outstanding checks, Nos. 91 and 255, amounting to \$105.00, makes net balance on hand \$2,629.21, as shown by Treasurer's report. With one exception, this is the largest amount of net cash balance on hand that this Association has ever shown.

In making this report, we wish to commend the very excellent way in which the Treasurer's accounts are kept, same being very systematic and thorough.

Yours very truly,

JNO. MARSHALL JR., *Chairman.*

S. D. ANDRUS.

The President—

You have heard the report of the Finance Committee, gentlemen. What is your pleasure?

Mr. David W. Wells—

I move that the report be accepted by this Association and placed on file.

Motion put by the Chair and carried unanimously.

The President—

The next order of business is the election of new members. The Secretary will read the names of those whose applications have been received.

Mr. D. S. Wagner—

The following applications have been passed upon favorably by the Board of Directors:

NEW MEMBERS.

NAME.	ADDRESS.	TITLE.	COMPANY.
Abbott G. B.,	Lincoln, Neb.,	Special Agent,	{ Farmers & Merchants Ins. Co., Lincoln, Neb.
Barnum H.,	Binghamton, N. Y.,	Supt. of Agencies,	{ Agricultural Ins. Co.
Bassett Neal,	Chicago, Ill.,	Special Agent,	{ Firemens Ins. Co., Newark.
Bush Harry R.,	Louisville, Ky.,	Special Agent,	{ Caledonian Ins. Co.
Champlin Fred M.,	Grand Rapids, Mich.,	Special Agent,	{ National Fire Ins. Co., Hartford.
Dye J. O.,	Springfield, O.,	Special Agent,	{ Royal Ins. Co.
Ely Wm. L.,	Monroe City, Mo.,	Special Agent,	{ Ins. Co. of North America.
Espenscheid H. F.,	Chicago, Ill.,	Special Agent,	{ Philadelphia Underwriters.
Griffiths J. C. Jr.,	Chicago, Ill.,	Special Agent,	{ National Fire Ins. Co., Hartford.
Hallinan Thos. P.,	Chicago, Ill.,	Adjuster.	{ Palatine Ins. Co.
Hardy Chas. F.,	Topeka, Kan.,	State Agent,	{ Commercial Union Assurance Co.
King N. S.,	Columbus, O.,	Adjuster,	{ Ins. Co. of North America.
Lockett S. H.,	Chicago, Ill.,	Manager,	{ Philadelphia Underwriters.
McIntyre Robt. J.,	Chicago, Ill.,	Special Agent,	{ Hartford Fire Ins. Co.
Marchbank W. J.,	Denver, Col.,		{ Insurance Survey Bureau.
Mathews A. C.,	Indianapolis, Ind.,	Special Agent,	{ Fireman's Fund Ins. Co.
Medbury Robt. F.,	Detroit, Mich.,	State Agent,	{ Home F. & M. Ins. Co.
Perry A. W.,	St. Paul, Minn.,	Secretary,	{ Western Assurance Co.
Phillips Frank A.,	Milwaukee, Wis.,	Special Agent,	{ British America Assurance Co.
Root J. Sherman,	Chicago, Ill.,	General Adjuster.	{ Ins. Co. of North America.
Rothermel S. A.,	Chicago, Ill.,	Secretary,	{ Ins. Co. of North America.
Stevison J. H.,	Chicago, Ill.,	Adjuster,	{ St. Paul F. & M. Insurance Co.
Webster Geo.,	Chicago, Ill.,	Special Agent,	{ Ins. Co. of North America.
Yates C. G.,	Chicago, Ill.,	General Agent,	{ Philadelphia Underwriters.
			{ Traders Ins. Co.
			{ Orient Ins. Co.
			{ Western Assurance Co.
			{ British America Assurance Co.
			{ Thuringia Ins. Co.

The President—

Gentlemen, you have heard read the names of applicants for membership. What is your pleasure?

Mr. D. W. Andrews—

I move that the rules be suspended and the Secretary cast a ballot admitting to full membership in this Association the names recommended by the Board of Directors.

Motion put by the Chair and carried unanimously.

Mr. D. S. Wagner—

The Board of Directors at their meeting last evening recommend that Mr. I. W. Holman, one of the earliest members of this Association, be placed upon the honorary list. They recommend also that his dues, if any are unpaid, be remitted.

And they also recommended that one of our members who has been with us over twenty years, and who has now retired, be placed upon the honorary list. I refer to Mr. H. M. Magill.

The President—

Gentlemen, you have heard recommended the names of Mr. I. W. Holman and Mr. H. M. Magill to be placed upon our honorary list. What is your pleasure?

Mr. H. E. Palmer—

I move that the recommendation of the Board of Directors be approved by this Association, and that the gentlemen be elected to honorary membership.

The President—

Are there any objections?

(No response.)

Motion put by the Chair and carried unanimously.

The President—

Mr. Magill and Mr. Holman are elected honorary members.

Mr. D. S. Wagner—

The name of Mr. J. F. Downing is also recommended to honorary membership in this Association.

Mr. D. W. Wells—

I move that his name be added to the list of honorary members and the action of the Board of Directors be approved.

Motion duly seconded, put by the Chair and carried unanimously.

The President—

Is Vice-President Hayes in the room? In the absence of Mr. Hayes, I will ask Mr. H. N. Wood, one of our Directors, to take the chair.

Mr. H. N. Wood here took the chair and the President then read the following address:

PRESIDENT'S ADDRESS.

Mr. P. D. McGregor—

GENTLEMEN OF THE FIRE UNDERWRITERS' ASSOCIATION OF THE NORTH-WEST:

To be able to say that this is the thirty-second consecutive year in which this Association has met, and that it is now more vigorous than ever, is probably the strongest testimony we could have that it is a most important factor in the evolution of fire insurance, and has followed closely along the lines laid down by its founders, in the city of Dayton, Ohio, February 22, 1871.

Whether it was by purpose or chance that this Association had its birth on the anniversary of the natal day of the illustrious Washington, whose memory all revere, it was certainly fitting that an organization formed "for the promotion of harmony and good practices in our profession" should have come into existence on that day. Those far-seeing gentlemen, who met so long ago to promote the interests of underwriting through an interchange of ideas and experience and the cultivation of a spirit of co-operation, builded better than they knew, for there was never greater need for a body of this kind than at present time. Associations of underwriters of various kinds rise, flourish and pass away, but the need of discussion of the ethics of the business remains always.

This is the forum open to all members, and I trust the program prepared will furnish material for the fullest and freest expression of opinion.

I have heard it stated that every subject had been so thoroughly threshed over that there was nothing left to be said. As well claim that the science of mathematics has been exhausted because countless generations have been employed in solving problems by the use of figures.

Since our last meeting twelve of our valued members have finished the course and passed on to their reward, leaving us mourning their absence and missing the warm hand clasp, but richer in that we have known them.

W. D. Bradshaw, Special Agent Firemens Insurance Company of Newark, one of those who had borne the burden and the heat of

the day and filled his position with honor to himself and his employers.

W. C. Butterfield, General Adjuster, St. Louis, Mo., one of the old guard and well beloved by his associates.

W. H. Cunningham, Chicago, Manager of the Fire Association, that courteous and accomplished gentleman whose smile was a benediction and whom to know was to love.

Charles E. Lemon, Indianapolis, State Agent of the Insurance Company of North America and Philadelphia Underwriters, who counted as his friends all who knew him.

M. R. McGill, Cincinnati, O., Special Agent, Sun Insurance Office, a man held in the highest esteem by his associates.

R. J. Smith, Chicago, Secretary of the Traders' Insurance Co., and President of this Association in 1873 and 1874, a large-hearted gentleman whose last words were a message of greeting to his comrades.

H. E. Bowers, New York, formerly United States Manager of the North British & Mercantile Insurance Co., a leader who left his impress upon our profession.

Christian Stawitz, St. Louis, Adjuster Hartford Fire Insurance Co., whose life was an exemplification of single-hearted attention to duty.

D. C. Tillotson, Muskegon, Mich., State Agent Westchester Fire Insurance Co., who never wavered in his allegiance to his associates.

J. H. Warner, Milwaukee, Wis., a father in Israel, and one of the beacon lights to the younger men in his State.

Thomas H. Webster, Chicago, Local Agent, whose taking away at the prime of life left a gap in the hearts of many, not soon filled.

H. H. Whitlock, Chicago, Manager of Delaware and Reliance Insurance Companies, whose worth is shown by the high eminence he had reached while still a young man, and one whom success and the plaudits of men could not change.

Following the established custom, I have appointed committees on resolutions upon the death of each member, who will report at the afternoon session to-morrow:

Upon the death of W. D. BRADSHAW--*W. E. Mariner*, Chairman, *D. S. Wagner*, *Geo. A. Crosley*.

Upon the death of W. C. BUTTERFIELD--*W. R. Townley*, Chairman, *Ira Welch*, *H. R. Loudon*.

Upon the death of W. H. CUNNINGHAM--*J. S. Belden*, Chairman, *George M. Lyon*, *H. C. Eddy*.

Upon the death of CHARLES E. LEMON--*J. C. Ingram*, Chairman, *John H. Gray*, *Frank Ritchie*.

Upon the death of M. R. MCGILL--*Frank Ritchie*, Chairman, *J. O. Wright*, *W. M. Monroe*.

Upon the death of H. E. BOWERS--*W. J. Littlejohn*, Chairman, *H. C. Eddy*, *Daniel C. Osmun*.

Upon the death of R. J. SMITH--*S. A. Rothermel*, Chairman, *Eugene Cary*, *A. J. Harding*.

Upon the death of CHRISTIAN STAWITZ—J. D. Fleming, Chairman, Walter Scott, H. C. Stuart.

Upon the death of D. C. TILLOTSON—M. H. N. Raymond, Chairman, D. W. Andrews, F. W. Williams.

Upon the death of J. H. WARNER—J. E. Davies, Chairman, W. E. Page, Geo. G. Williams, Phil. Cheek, L. S. Tuttle.

Upon the death of THOS. H. WEBSTER—Holger de Roode, Chairman, E. R. Wetmore, J. H. Stevison.

Upon the death of H. H. WHITLOCK—A. C. Mink, Chairman, C. L. DeWitt, Wm. F. Rollo, F. W. Little.

At our last meeting, following the recommendation in the President's Address, a resolution was adopted authorizing the appointment of a Library Committee, and the expenditure of not more than \$1,000.00 for the purpose of improving the Library.

It has not been possible to do much in this direction, and I recommend the matter to you for further action at this meeting, calling particular attention to Section 22 of the By-laws, providing for a Library Committee of three members of the Board of Directors, who shall be residents of the city of Chicago.

If this address is referred to a Committee, I would ask them to consider the advisability of offering an amendment to this By-law, giving the President the opportunity of selecting a Library Committee from the main body.

A custom has grown in this Association to be almost a law, that the office of President shall go alternately to a field man and one holding an office position, while the numerical proportion is about five to one, and while not desiring any legislation on the subject, I believe it would be fairer to let those holding managerial positions have the honor about once every five years, so that they may have something to look forward to, and let the field men oftener have a chance to gratify their laudable ambitions.

Precedents are very well in their way, but after all they are only what others have done before under like conditions, and sometimes it is better to rise above old traditions.

In closing this brief address I desire to urge upon you the value of close attendance at our various sessions, and invite the fullest and freest discussion of the subjects of the papers, to which it will be our pleasure to listen.

Gentlemen, I thank you.

Mr. H. N. Wood—

Gentlemen, you have listened to the very forcible and graceful address of your President. The usual custom is to refer the President's Address to a Committee of five. What is the pleasure of the Association?

Mr. D. W. Wells—

I move that it be referred to a Committee of five appointed by the Chair.

Mr. H. N. Wood—

It is moved and seconded as you have heard. Are there any remarks? If there are no remarks the motion will be put.

Motion put by the Chair and carried unanimously.

Mr. H. N. Wood—

I think I will ask a little time in which to name the Committee, as it is an important one, and as this matter was forced upon me, I would hardly be expected to have the names of the Committee ready.

I will now ask the President to resume his chair.

The President—

Gentlemen, in arranging for the Annual Address this year, it was my purpose to secure a gentleman of national worth in our profession. His experience in the insurance business during many years, will enable him to give us some excellent instructions along these lines.

I have great pleasure in introducing to you Mr. J. F. Downing, General Agent Insurance Company of North America and Philadelphia Underwriters.

ANNUAL ADDRESS.

Mr. J. F. Downing—

MR. PRESIDENT AND GENTLEMEN OF THE FIRE UNDERWRITERS' ASSOCIATION OF THE NORTHWEST:

I duly appreciate the honor implied in the invitation of your President to deliver the Annual Address on the occasion of this, your 32d Annual Meeting. I enjoyed a similar honor eighteen years ago; since which time many things have happened which will make an important part of the history of fire insurance in the nineteenth century, should such a history ever be written.

I see before me many new faces, indicating the changes that have occurred in your ranks since I had the pleasure of meeting the members of your organization in 1883. Since then not a few have put off the harness; with respect to whom, and as admonition to those who are still in the harness, I may quote the words of the Prophet: "Let not him that girdeth on his harness boast himself as he that putteth it off." It remains for those who survive—who are bearing the burden and heat of the day—to consider what our duties are, and strive to perform them according to our best ability, and with an earnest desire to be a credit to the business in which we are engaged.

It is a misfortune not to be able to say that the conditions of fire insurance in the United States have improved during the last two decades; on the contrary, we have to confess that the discouragements and difficulties that now confront us are apparently greater than ever. During all these years your Association has been enjoying a healthy existence, and you have done what you could to stem

the current that has been carrying us towards dangers that threaten our destruction; and you, undoubtedly, stand ready now to put your shoulders to the wheel and give your powerful support in the furtherance of any measure, or measures, which may appear to you to be calculated to benefit our business. I do not flatter myself that I will be able to make any suggestions that will meet with your general approval, though I hope that such may be the case, since without your approval and promised assistance, my labors would surely be in vain. I cannot promise anything new or startling, in fact, there is nothing new to be said; but we have the assurance that "precept upon precept, precept upon precept; line upon line, line upon line; here a little, and there a little," is not without profit.

FIRE INSURANCE—FUNDAMENTAL PRINCIPLES.

The business of fire insurance is a great business, employing immense capital, and calling for the services of a host of men equal in capacity and general business ability, to those engaged in any other important pursuit. Keeping step with the increase of the population and wealth of the country—the expansion of trade, commerce and manufactures—fire insurance has grown to mammoth proportions. The premiums received by stock companies, in the United States, in the year 1900, amounted in round numbers to \$153,000,000, with disbursements in way of loss payments amounting to \$91,000,000. A business of such magnitude and so essential to the general welfare, deserves to be conducted on the highest principle of honor, and to be protected by all proper and legitimate safeguards. It is, or ought to be, an honorable business—as honorable as it is important and useful.

The underlying or fundamental principle upon which fire insurance is based, does not differ essentially from that which governs ordinary trade. Like all other things which we have occasion to buy, from day to day, to supply our wants or necessities, it would be natural to assume that the price we pay for our insurance, whatever may be the character of the property insured, is based upon actual cost, it being understood, of course, that such cost includes the expense of the business, with a reasonable profit added. In the exchanges which are constantly going on between seller and buyer, or the producer and consumer, the chief factor is the consideration that passes from the one to the other. From the standpoint of the seller, or the producer, the cost of what he desires to exchange for money or other valuable consideration, is what controls his action; and he is content so long as he can sell at prices that afford a reasonable profit. On the other hand, the buyer or consumer is well satisfied, so long as he has reason to believe that he is paying a fair price for what he gets. The same principle extends to all the relations of life. We pay the lawyer, the doctor, and the minister, on the basis of value received, or assumed to be received. As for the lawyers, perhaps an exception should be made—particularly in insurance cases, when it is their habit to charge according to the ability of their clients to pay. Our minister seldom gets too much, especially if faithful in vividly bringing to our attention our errors of omission

and commission! We become used to all these things, as matters of every-day life, and make no disturbance on the ground that we pay too much or too little for what we get! We make no threat to "go out of the board!" And so it happens in this busy world of ours, that in the multitude of daily transactions involving hundreds of millions of dollars, there is little or no friction or complaint; the rule that governs all is the old adage: "Fair exchange is no robbery." There is only one important exception with respect to the situation described: When we come to fire insurance, we find friction, dissatisfaction, grumblings, threatenings, and general discontent. Even in the Stock Exchange, the bulls and bears, after the battle of the day is over, with all its din and uproar, quietly accept the situation; there is no complaint, unless some rule of the Exchange has been disregarded, resulting in loss to one or more of the participants in the game! It behooves us to inquire why, or how, it happens that our business of fire insurance should not be attended with that peace and quiet satisfaction that generally characterizes most other kinds of business.

I am persuaded that the chief cause of the exceptional condition referred to, is either directly or indirectly due to the fact that fire insurance companies have not been able to conduct their business with strict regard to the fundamental principles by which they are theoretically supposed to be guided. Indeed, it may be a question whether our oldest and most experienced companies can say that they have been able, at all times, to conduct their business on the strict commercial principle of exacting from their patrons no more, and no less, than what justice and equity required. In the early days of fire insurance it was probably not deemed important to know just what it cost, or was worth, to insure the different classes of property. The amount of insurance done was very small, as compared with what is done to-day, and everything went along very smoothly. But the times have changed! Think of the "good old times," when the agent of a fire insurance company no more thought of going out on the street to solicit insurance, than a reputable physician to-day thinks of calling upon the people in his locality for the purpose of soliciting their patronage. Any one desiring insurance made application to the agent at his office, or, if residing in the town or city where the head office of the company was located, he made application at the company's counter. An agent was expected to make a personal examination of the risk offered, and obtain an application, signed by the applicant, giving a full description of the property to be insured, and the value thereof—same to be made a part of the policy. When application was made at the office of the company, and the risk was a new one, the applicant was told to call the next day; in meantime, the company's surveyor would examine the proposed risk and make report thereon. If all right, a policy was issued. In either case, the applicant expected to pay the price named for the indemnity applied for, and was satisfied. All this has been changed, and is largely due, no doubt, to the great increase in the volume of the business done and the large number of persons engaged in it. We have been drifting farther and farther away from the old customs; and

we fully realize that we are not sailing on smooth waters. It looks more as if we were sailing between Scylla and Charybdis.

RADICAL DEPARTURE FROM THE OLD WAYS.

The radical departure from most of the old ways in fire underwriting, can be accounted for in part by circumstances over which the companies themselves had no control. As for the evils that have come upon us, we will have to say that some of them have been self-inflicted—could have been avoided—while others are due to outside influences—to an unfriendly public sentiment, cropping out in what we call “hostile legislation.” Whether such legislation could have been prevented, had all fire insurance companies taken steps in time to place the business of fire insurance on a basis worthy of general confidence—a basis determined by actual experience—we need not now undertake to determine. One thing is apparent—public opinion has been against us, and fire insurance companies have come to be regarded as possessing no rights that anybody should respect! A few rights, nevertheless, remain! Insurance companies have the right to pay taxes, to re-insure, and to quit business when they get tired, with or without re-insurance! Happily, there is no law that compels a fire insurance company to keep on doing business against its will!

Many of the hostile laws referred to are so unreasonable—so opposed to good, common sense—that it would seem not an insurmountable task to secure their repeal; but I believe it will be easier to do this when we shall have adopted a plan for putting our own house in order. The everlasting principle of right must win. It was not right to take away from fire insurance companies the power to do business as their experience might dictate to be safe, equitable, and just. It was not right to take away, as has been the case in several of the States, the privilege of incorporating in a fire insurance policy a provision requiring the insured to carry a portion of his own risk, such as the co-insurance clause, or the three-fourths loss clause, notwithstanding the same might be entirely satisfactory to the applicant for insurance! The common law and the Constitution of the United States had to be violated to accomplish this foolishness! And then, notwithstanding the fact that the cost of fire insurance is something that must be determined by actual experience, and should be allowed to work out its own salvation, so to speak, we have anti-compact and anti-trust laws which simply make foolishness of our whole business—such is the natural result, at least! This is not right, and cannot be defended as necessary to protect the people from extortion. Combinations in restraint of trade—formed for purpose of regulating prices of merchandise, or such things as are usually subject to active competition—may be inexcusable; but fire insurance is not merchandise in any proper meaning of that word. According to the Apostle Peter, merchandise is sometimes made of men, but you cannot make merchandise of a fire insurance policy before the emergency occurs enabling the insured to convert it into cash! Such laws as referred to cannot be defended in the forum of conscience or reason; they are not right, and right should and must pre-

vail! Other hostile laws might be mentioned, but it is unnecessary for my purpose. They were the work of law-makers who were far from being overcharged with wisdom—of whom, indeed, it may be appropriately said: “A little knowledge is a dangerous thing!”

I have said that public opinion has been against us. We have managed our affairs in such a way as not to make friends, but enemies. Probably we will differ as to just how this has been brought about, but it occurs to me that the situation can be accounted for in part as follows: In the first place, we have too much discord among ourselves! We are a lot of fighters! How much better it would be from every point of view, if all fire insurance companies, of any importance and respectability, would work together in harmony in respect to all matters of common interest, as was the case years ago. About one-half of the companies, to-day, are endeavoring to pursue one policy honestly believed by them to be for the best interest of all, while the other half pursue a different course. The result is unpleasant and harmful collisions at many local agencies, the special cause of the trouble being the difference in the commissions paid. There ought not to be any such trouble as this—there is nothing to justify it. It is contrary to sound business morality. The companies should agree upon some equitable and reasonable compensation to local agents, to be observed in all cases. Any other system is vicious and demoralizing; it means “ruin upon ruin, rout on rout,” with “confusion worse confounded.” The spectacle is not edifying from the standpoint of old-fashioned methods or from the standpoint of those who believe it to be a duty to all hang together as the best way of preventing the catastrophe of being hung separately. In the case of agencies where companies are represented that pay varying commission, trouble is inevitable. Whoever runs such an agency may be compared to a commission merchant acting as agent for a half dozen different manufacturers, all making the same kind and class of goods. If he should be caught accepting a higher commission for marketing the goods of some of the manufacturers than he receives from others, how long would such a house stand “divided against itself?” It may be claimed that this is not a supposable case, since no reputable commission merchant would do such a thing; but it illustrates the point I have in mind—that varying compensation to local agents is unwise and pernicious, under any circumstances. It is one of the evils the companies have brought upon themselves, and adds to the public prejudice against them.

It is a mistake to suppose that we can do wrong and foolish things among ourselves, and that nobody outside will notice it or care about it. As every high-toned, honorable, and straight-forward business man conducts his business on the plane of strict commercial honor—treating the community upon whose patronage he relies, with entire fairness—so it is our duty to manage the affairs committed to our hands in such a way as to win public confidence and respect, and when I say that it is our duty so to do, I mean all who have to do with fire insurance from the highest officials down to the humblest local agent. Perhaps I ought to except the insurance broker! We have the same general public to deal with as the manufacturer, or

the tradesman; and it is our duty to "study to please" our customers, while at the same time we see to it that we do not wrong ourselves, or those interests that we assume to represent. Now, we all admit that fire insurance companies are very extravagant in the matter of expenses! Is it to be presumed that the people—our patrons—don't know this? And knowing it, as they must, they must think that we are very improvident! We may say that this amounts almost to a public scandal. In the case of the ordinary business man, especially in the case of the manufacturer, it is a constant study with him how to reduce the cost of the things he makes, without injury, at the same time, to their quality or attractiveness; and I may say, without reducing wages. He does more than that; he makes a study of the cost of distribution or placing his products in the hands of the retailer, or of the consumer, as the case may be. It is this idea that has been one of the principal reasons for organizing so-called "trusts." Fire insurance companies have been accused of forming "trusts," but, unlike the manufacturer, they have been vieing with each other how to increase the cost of putting their goods on the market! And then, too, look at our extravagance in our treatment of losses. The old-fashioned idea that the insured in case of loss would be paid the actual amount of his loss—no more and no less—ascertained in an orderly and business-like way, just as provided for in the policy, has lost much of its hold upon us. We talk about valued policy laws and mourn over their iniquity, and try to cipher out how much they have cost us in dollars and cents; but I state as a proposition that cannot be successfully disputed, that fire insurance companies have lost three times as much by virtue of their loose and unbusiness-like adjustment of losses, as the valued policy laws have inflicted upon them! In too many instances, they act as if they had "money to burn." Liberal adjustments and the prompt payment of losses, are promised on every hand! In the case of partial losses, in order to give the insured as little trouble as possible, lump settlements are made; in other words, the loss is guessed at, the guessing of the insured being generally taken as the right one! Add to all these things what incendiarism costs us—incendiarism which is the product of over-insurance. We have no time to investigate values, in the hurry and scurry for business, and take very much for granted. The old ways are too slow. The Massachusetts Fire Marshal, in his report for the year 1900, states that out of 252 cases of loss by fire, investigated by him, outside of the city of Boston, 72 of them were for the purpose of obtaining insurance. In most of these cases, over-insurance was, in all probability, the primary cause of the burning. Taking these figures as a criterion for the whole country, and we can make a fair calculation as to the penalty we pay for over-insurance! The amount must be large.

It is true that no business of any importance can be carried on or managed without mistakes involving more or less loss. Insurance officers and managers are no exception to the rule, and I sometimes think they are more to be pitied than anybody occupying a position of equal responsibility. They have many things to contend with, and if their errors of omission and commission are numerous, it is

not to be wondered at. Local agents in the large cities, also have their troubles. One of the most serious is the new style, up-to-date, insurance broker. He has reduced the position of the agent, duly commissioned as such, to the level of a clerk or scribe to write his policies for him. I mean no discourtesy when I say I wish we could get along without him! Whatever may be his relations to the company or companies with which he deals, as defined by the Courts, the fact remains that he acts practically as an attorney for his clients or patrons, and for them only. He is bright, alert, pushing, and "knows a good thing when he sees it." He is very expert in getting up cunningly devised policy forms to enable the insured to get the best end of the bargain in every case. What a revelation such forms must be to an old-fashioned fire underwriter! The old ways are foolishness to the insurance broker, as we know him! We frequently comply with his demands—accept his rates and forms—well knowing, when we do so, that we are violating reasonable and correct rules of underwriting; that we are, in fact, giving the insured an advantage for which we get no pay. Some local agents have fallen into the same methods; and the forms of contracts they get up excite our admiration for the skill and ingenuity displayed! All, however, for the benefit of the insured; as for the companies, they are like the dead Cæsar—"none so poor to do him reverence!" Such facts may not provoke public criticism, but they detract from that dignity and firmness of character which should be a characteristic of fire insurance companies. They show a moral weakness which begets contempt.

RESPONSIBILITY FOR HOSTILE LEGISLATION.

Perhaps I have been digressing; if so, you will please pardon me. I was saying that fire insurance companies are not wholly blameless in the matter of the unfriendly and fault-finding attitude of the people towards them. My idea is that if we discover what has brought about this unfortunate condition of things, we will be the better able to discover and apply the right remedy. Reference has been made to so-called "hostile legislation," and this is a matter that demands a little further consideration. We attribute much of our trouble, and justly so, to such legislation. But it behooves us to remember that it has not been the result wholly of ignorance and prejudice on the part of the law-makers, or of their constituents behind them. We may say that ignorance and prejudice have been at the bottom of it, but we cannot say that our unworthy and unbusiness-like conduct has not suggested and invited it. It is a case of reaping according to what we have sown! Others take knowledge of us, and judge of the character of our business—the motives and principles by which we appear to them to be governed—from what they observe! Take the valued policy law, as an illustration: It would probably never have been heard of, if it had not been for the numerous cases—mostly occurring in the country or agricultural districts—of over-insurance. When losses came in due course, the adjusters discovered that it would be in order to pay the insured less than the amount named in the policy, and generally succeeded in settling on that basis. This naturally incensed the insured, who

wanted all that he had paid for. Here is where the valued policy law bacillus originated. Who was to blame for the over-insurance? Some may say, the "lightning-rod solicitor;" but the companies had to suffer the consequences. And let me say, in this connection, that every fire insurance company, as a rule, is judged of according to the character of the men who manage its affairs. The state, special, and local agents, particularly, who come in contact with the people—with the patrons of the company—should be men of good character, sound discretion, honest and straight-forward; and, I might say, willing to learn. It is said that "a man is known by the company he keeps;" and this is just as true of a fire insurance company—in every community, it is commended or criticised according to the character and worth of those who assume to represent it.

Consider the scandal created by our rate-wars. In my opinion they are more productive of mischief than the rate-cutting done by a class of agents who slip around in their gum shoes, and quietly advise everybody that money can be saved by procuring their insurance from them—that they belong to no trust. That is bad enough—like unto a "pestilence that walketh in darkness"—but the effect on the community of an open war between companies, especially when some of them are giants in strength, is pernicious beyond calculation. The daily press carries the news promptly to all parts of the state and to the regions round about. In a rate-war, the cry goes up, "Down with Monopoly!" "Down with the Insurance Trusts," and the "holier than thou" men are seen standing on the corners of the streets, like the Pharisees of old, and in a loud voice thank God that they are not like those other men—extortioners and unjust! "No sense have they of His to come nor care beyond to-day." In such a war, the people look on, no doubt, with more or less astonishment, but with apparent delight, well knowing that such combats mean much good insurance at nominal cost to the insured. The spectacle is extremely demoralizing and harmful. The direct loss in money to the companies participating in the war, is not all; the impression made on the community that there is nothing but guess-work and boys' play about fire insurance, is deep and abiding. Man is a fighting animal, and it is not unnatural for an insurance manager to accept a challenge to mortal combat, in the shape of a "rate-war," when he imagines that his interests, or his local agents are assailed. As a rule, in such cases, the wrong (as is the case in all duels) commences with the challenger; and while it may be difficult for the challenged to restrain his natural inclination to fight for his rights, whatever they may be, it would be well to let the challenger have the fight all by himself! A business that is subject to such disorders—such strange and unbusiness-like performances—in a word, "work of all uncleanness with greediness"—must naturally be considered something that needs the strong hand of the law to keep it in proper subjection. And I must add—we get it!

THE REMEDY PROPOSED.

If you believe as I do, the cause or causes of most of present trials and tribulations must be apparent. What are we going to do about it? What can we do? Going back again to generalizations for a moment,

let me say that, as for fundamental principles—or their importance as a guide—it is one thing to understand a certain principle, or rule of action, and quite another to be able to apply it successfully. This is the problem to be solved. It is our business to deal in indemnity against loss by fire, and we have a great variety of cases to deal with. In each case, it is a part of our duty to know just what consideration to charge. This we owe to ourselves—for our own safety—and we owe it to those with whom we deal, that they may receive fair and equitable treatment at our hands. We have to pretend that we do know what prices to charge for our goods, so to speak; but our quotations are received with more or less incredulity. Here is where we may be said to be lame! In the case of the merchant or manufacturer, he knows the cost of what he has to sell, and regulates the selling price accordingly. Any expert familiar with the business, can tell the cost of a ton of pig-iron, or a mowing machine, or a pair of shoes, or a yard of cloth; but who can tell the actual cost of insuring a man's house or his stock of goods? Who can be absolutely sure that it is the duty of companies to reduce the rates on so-called "preferred risks" in the State of Iowa? We have a way of satisfying ourselves as to the cost of insuring the different classes of property; but who has confidence enough in his own figures to restrain him from often varying materially therefrom? At all events, we act as if we were not quite sure whether the price of indemnity named by us in any particular case, is just the figure or not. We give countenance to the idea that there is much guess-work in fixing rates. The applicant for insurance often takes this view of the matter, and tells us that he can guess at the proper rate as well as, if not better than, we can; the result being that, in too many cases, we allow the insured to do the guessing and accept his figures. This method of doing business wholly eliminates the consideration that governs in ordinary buying and selling. The element of *quid pro quo* is lacking. A business subject to such uncertainty—to say nothing of the scandalous exhibitions of our foolishness, every now and then—invites attack from all quarters. We must look at the situation as it is, recognize our peril, and make a united and strenuous effort to place ourselves in a more consistent and, consequently, in a more satisfactory and comfortable position. "What though the field be lost? All is not lost!"

It is not to be assumed that any one remedy will be sufficient to cure all our troubles. Some of them will never be cured so long as man remains a selfish being and not always disposed to observe the Golden Rule. With many misgivings, I will venture to propose one remedy for your consideration. It is a remedy that will require some time to get it into proper shape—to get all the ingredients together—but I am bound to believe it will produce good effects when once fairly applied.

And now, a little more to the point I have in view: I have often asked myself the question, why it is life insurance companies have not been annoyed and hampered in a manner corresponding to the treatment fire insurance companies have received; that the latter should be allowed so much less freedom in all matters relating to the general conduct of their business. It is well known that the rates of

life insurance are regulated according to the table of mortality based on American experience. These rates must be maintained in order to ensure the safety of policy-holders; and no complaint is made. In fact, most of the states have laws which provide that life insurance companies shall furnish data annually for determining the amount of their liabilities, respectively, and the valuation of their outstanding policies—the rate of mortality to be that established by the “American Experience Table.” The rates of the different companies are practically the same, and no one ever heard of a proposition to make such practice illegal. The idea of getting his life insurance at a fair price satisfies the policy-holder—he does not question the correctness of the rate charged, more than he questions the necessity of paying the merchant with whom he deals, the market price for what he buys. Would it be illogical for fire insurance companies to, at least, attempt to place their business upon a similar foundation—a foundation so well laid that the rates of fire insurance would be treated with as much confidence and respect as the rates of life insurance! There may be more difficulty in securing data, in the case of fire insurance, than there has been with respect to life insurance; but the problem to be solved is essentially the same. It may be claimed that there is little or no analogy between life insurance and fire insurance; but there is a striking analogy, which could be easily demonstrated, if time permitted. The natural laws that govern the mortality of the human family, also govern the destruction of property by fire. Destroy our confidence in this doctrine, and we destroy our confidence in the value of our policies of insurance, whether fire or life.

For the safety of our business in the future, as well as for the best good of all, the protection of the insured, as well as the insurers—we should endeavor to place fire insurance upon that sure and certain basis that characterizes life insurance. With adequate facts in our possession, showing what it costs to insure the various kinds or classes of fire hazards, why cannot this be done? And when once done, why should we not be able to command the same official recognition and approval of our “rates and rules” which life insurance companies have always enjoyed? The fire companies are in possession of a great mass of information gathered in the course of many years of active business, but it is not in shape to be utilized to good advantage. Nearly three years ago, a movement was started with the view of bringing together the experience of companies for a certain period of years, hoping to be able to extract therefrom, as the result of combined experience, useful data for the adjustment of rates. Out of about one hundred companies invited to furnish their experiences, about one-half responded favorably. But the good that might have been accomplished, was materially lessened by the fact that the companies furnishing statistics had not used a uniform plan or method of classification, rendering it difficult, if not impossible, to ascertain the combined experience as to any particular class of fire hazards. In addition to this difficulty, the figures presented did not cover the same period of years, rendering it still more difficult to reach that degree of certainty which is all important. It should, perhaps, be explained here, that the experiences referred to, were furnished in such a way

as not to reveal to those in whose hands they were placed, the name of the company that supplied any particular set of figures; the idea being that the information given by any particular company, or companies, should not be proclaimed from the house-tops. The movement was one in the right direction, and only needs to be followed up, in some effective and common-sense way, to accomplish in due time, all that can be reasonably expected.

UNIFORM SYSTEM OF CLASSIFICATION ESSENTIAL.

What I venture to claim as the paramount duty of fire insurance companies, at this time, may be stated as follows: First, to devise and adopt some uniform system or plan of classification of fire hazards, to be used by all fire insurance companies doing business in the United States. Second, to provide for the combining of the experiences of said companies, giving us what may be called our "Combined American Fire Insurance Experience." This should, in due time, give us sufficient reliable data to enable us to place fire insurance rating upon a mathematical and scientific basis. It is certain that nothing else will! When we know, and the Insurance Officials know, the amount of gross premiums received by all the companies, for insuring each and every class of property, and the losses incurred thereon, respectively, we will have just what we now most need; and let me add, we will have something eminently conclusive and satisfactory, "on a which to go to the country," as the politicians say! I propound no new proposition; it is something that has for some years been strenuously urged by a number of our ablest and most experienced fire underwriters. But up to this time, unfortunately, the proposition has been treated with more or less indifference on the part of a majority of the companies.

Probably there are some companies that may wish to keep to themselves what they may regard as the secrets of their business; they may have, or think they have somewhere a goose laying golden eggs, whose particular location they would like to conceal. But, in the long run, there is nothing to be gained by such a policy; we are virtually all in the same boat and should pull together; and past experience shows that no goose laying golden eggs for any company, is permitted long to live. Some of us may be selfish enough in these days, to wish that we had not only one such goose, but a dozen of them; but they are not protected by the game laws, and there would be no telling how soon they would be scented and bagged!

The practical question before us is, how can we make sure that the paramount duty referred to will be duly attended to? In my poor judgment, it will require more than moral suasion to induce all the companies to fall into line; it will require the help of the law-making powers. I venture to suggest the following plan to meet the difficulty: Let some organized body of practical fire underwriters appoint a commission composed of say three or five competent and experienced experts, to make a thorough study of the whole matter and formulate a system or plan for the uniform classification of fire hazards throughout the entire country, with such modifications, as to certain states, as may be necessary in order to adapt it to the special conditions

therein. This work having been accomplished, the next step should be to apply to the legislature of some leading state—say the state of New York, the birth-place of the Standard Policy—for the passage of a law requiring all fire insurance companies doing business therein, to make use of the system or plan of classification approved by said commission. Soon as practicable, steps should be taken to secure similar action in other states. The insurance officials in the several states should lend a helping hand in this good work. They show a propensity for requiring more and more information from insurance companies, in their annual reports; and there is nothing new that they can think of which will do so much good as what may be called “compulsory classification.”

Experience shows that it will be difficult, if not impossible, to secure the general adoption and use of a uniform system of classification, without compulsion from some quarter. The history of the New York Standard Policy is a case in point. The legislature of that state passed a law appointing a commission composed of three New York gentlemen versed in fire insurance, with full power to formulate a policy to be called the “Standard Fire Insurance Policy of the State of New York.” On the completion of the work, a duly certified copy of the policy was required to be placed on file in the Insurance Department at Albany; and thereupon it was to become the standard or exclusive form of fire policy to be used in the State of New York. The commission performed its work, with results that we all know. Now, suppose that all the fire insurance companies of New York had been permitted to have their say about the proper form of policy—the conditions to be inserted—what would have been the result? Of course, nothing would have been accomplished. In this connection I might mention the fact that a few years ago, an effort was made to secure the adoption of a Standard Tornado Policy, to be used by all companies doing a tornado business. A committee was appointed, and in due time a form was unanimously agreed upon; but only a part of the companies have adopted it.

It should be stated that any law requiring fire insurance companies to use a uniform system or plan of classification of fire hazards, should also provide for the time and manner of making reports to the insurance department of the state in which the law is in force; also, for the time and manner of consolidating or combining the information submitted, with the view of using the experience gained as a criterion for the proper rating of risks in such state. This information should be given in such a way as to make it an impersonal matter—no report to be designated as coming from some particular company. I need not discuss the details of such a law. Of course, the experience of any one year, will not furnish a sufficient guide for making rates; and it may be necessary to wait five years at least before attempting to promulgate, with proper official approval, any standard by which rates are to be fixed. This will be a matter of easy adjustment when we are once fairly under way. In this connection, however, I beg the privilege of saying, that, in my poor judgment, it will be in “accordance with the eternal fitness of things” to classify the business done by states, so that the premiums collected

for insuring the property in any one state shall be sufficient, as a rule, to pay the losses, taxes and agency expenses in such state, together with a proper share of the expense of general management, leaving a fair margin of profit. Each state has its own way of providing for the expenses of government—state and local—and the cost of the fire waste therein should be paid for by its citizens. In case of some of the smaller states lying contiguous to each other, or states and territories sparsely settled, it may be expedient to group two or more of them together for purposes of classification; and in the case of certain kinds of so-called “special hazards,” it may be wise to combine the experience in two or more states without regard to their size or importance. But, as a rule, and especially in respect to most kinds of risks, I believe it sound policy to look to each state for sufficient revenue from fire insurance to pay the losses therein. Occasionally, it will be necessary to borrow from the revenues received elsewhere, to pay extraordinary losses in some unfortunate state; but the sum thus borrowed should be sooner or later returned. Great conflagrations, like the burning of Chicago or Boston—calamities which happen only once or twice in a century—may form an exception to the rule, being regarded as national misfortunes. The rule suggested seems to me just and equitable for these reasons among many, that may be thought of: Under its operation those states that have valued-policy laws and other foolish laws, the tendency of which is to increase the cost of insurance, will reap their reward; which would be right. So, too, will those states whose towns and cities are lax in enacting and enforcing proper building laws—that pay too little attention to proper safeguards in the electric wiring of buildings and in the storage and handling of dangerous explosives—that pay no attention to the ferreting out and punishment of incendiaries, acting upon the theory that no one is to be benefitted outside of the insurance companies—be permitted to reap according to what they have sown. Those states, also, which impose unreasonable taxes and license fees; that authorize every little municipality (to say nothing of the larger towns and cities), to exact a heavy penalty for the privilege of doing business therein; that empower the courts to add a large penalty to a judgment that may be obtained against an insurance company; where jurors, owing to a vicious public sentiment, act upon the theory, in rendering their verdicts in insurance cases, that you cannot hit an insurance company too hard, whatever the facts of the case may be; those states, I say, which treat us more as outlaws than anything else, should be made to pay for the injury they inflict upon us. Let every tub stand on its own bottom! Let the experience in Missouri or Tennessee, decide as to the rates in those states respectively; and let the experience in other states, North or South, East or West, be applied in like manner. The state of Missouri, for one, is entitled to a prescription of this kind—a pauper state, from the fire insurance standpoint, and yet one of the most hostile to fire insurance companies! It behooves this state to stand up and exclaim, in the words of Hamlet: “Beggar that I am, I am even poor in thanks!”

Whatever may have been the experience of fire insurance companies in the past, or whatever may be the amount or character of the

information any of them may possess at this time, it is manifest that we need such a system of classification as will, when the experience of companies has been combined, give us, as near as may be, the actual cost of insuring the different classes or kinds of property, with the view of fixing schedules of rates that shall have the stamp of at least quasi-official approval on the part of the State Insurance officials. Having such stamp of approval—property-owners being reasonably assured that they are being fairly treated—and the charges of robbery or extortion by fire insurance companies would cease, or produce little harm if made. Satisfy property-owners that we know, from combined experience, what it is worth to insure their property, whatever it may be—whether a dwelling-house, a chair factory, or a distillery—and that rates of insurance have been fixed according to actual experience, and we will remove a big stumbling block now standing in our way. “Great is truth and mighty above all things,” saith the scriptures! No one dreams of securing absolute exactness in the rating of fire hazards, no matter what the teachings of experience may be; but that is no reason for not doing the best we can to satisfy the misgivings of property-owners as to the correctness of our methods, while at the same time we make sure that we get a fair price for the indemnity we sell. In matters of taxation generally (and fire insurance may be called a tax), there is difficulty in meting out equal and exact justice to all. Inequality in assessments is a subject of frequent complaint; and we cannot expect to escape complaints in our business. Human nature is human nature, and there will always be certain characters who will be only too happy when they can get something valuable for nothing; they enjoy fights between insurance companies immensely! Many others, all very good people, will feel that they are paying too much for what they get so long as they have no chance to make a claim for loss. Have you noticed of late what an increase of small claims for loss there has been? It does sometimes seem as if there were an undue number of policy-holders who contrive, in some way, to make a claim that shall be equal at least to the premium paid! Only a few months since, I was called upon to consider a claim for loss caused by the burning of some beef-steak while in the frying-pan! It would be pertinent to enquire whether the great liberality of companies in the treatment of losses, large or small, to which reference has been made, has had the effect of encouraging policy-holders to make claims for damage which so frequently appear to us ridiculous!

I do not overlook the fact that there will be much to overcome—many difficulties to meet—in carrying forward the work of reform which I have urged to the best of my ability. But there is nothing to be encountered which we cannot overcome, if we set about it with sufficient determination and will. It was a mighty difficult task to capture Santiago and the Spanish army; but American valor and pluck did it—we “got there!” Starting with what we call “basis rates,” it requires much intelligence and skill to apply properly any system of schedule rating. But there are no insuperable difficulties, as President Moore, of the Continental, has so clearly shown in his able elucidation of what he calls the “Universal Schedule.” And then we have from the able pen of Mr. A. F. Dean, an important

work called "Fire Rating as a Science." It is worthy of careful study; but I hope I may be pardoned for the suggestion that, before undertaking to master the contents of this book, it would be well, as a mental preparation—for a brushing up of the reasoning faculties—to spend some time in the study of Lock on the Human Understanding, Butler's Analogy, or some other philosophical work. I say this not in criticism, but in recognition of the highly philosophical manner in which the various subjects discussed, are treated. We welcome the assistance of the two able and resourceful fire underwriters just named, and owe them a debt of gratitude for what they have done—the ideas and information they have given us. In this connection I take pleasure in calling attention to the fact that a committee of experienced fire underwriters in Chicago, of which Mr. J. W. G. Cofran, of the "Hartford," is chairman, has formulated a Mercantile Schedule applicable to brick and stone buildings; also, Schedules for Metal Workers, and several other classes of hazards. The work of this committee is worthy of special commendation, and is being prosecuted as vigorously as circumstances will permit. The basis rates are determined by actual experience, so far as it is practicable to ascertain what the actual experience is. When we have fuller or more complete information on this subject, more accurate work will be practicable. In the meantime, let us do the best we can; we know enough about our business to justify the attempt to make rates that shall be reasonably correct, though probably not on a strictly mathematical and scientific basis. Uniform classification will give us what is now lacking.

It may be asked, what are we going to do to keep our ships from sinking, while we are waiting for the new order of things, which may be a considerable time in coming; what we are going to do about trying to secure the repeal of the bad laws now oppressing the companies? All we need say is: We will do all we can! and the fact that we have made a beginning of the good work projected, and are earnestly pursuing it, will help us mightily! It will be a strong moral force behind us.

TIME FOR ACTION PROPITIOUS.

The time would appear to be ripe for taking action in favor of the reform or improved methods, to which I have referred. Fire Insurance interests are receiving more than usual attention, and especially from the standpoint of the local agent. State Associations of local fire insurance agents have been organized in several states, and we have a larger body, composed of these state organizations, as I understand, called the National Association of Local Fire Insurance Agents, which met in convention at Put-in-Bay, Ohio, on the 9th, 10th and 11th inst. Among the several objects these associations—especially the State Associations—have in view is what they call a "campaign of education." They hope, ultimately, if not at once, to reach the legislatures of such states as have been placing on their statute books unwise and harmful laws relating to Fire Insurance. This is emphatically a good work, if wisely directed, and should command our assistance in all practicable ways. Reference has been made to the fact that what may be called "public opinion," has been

against us, and any labor or sacrifices demanded to bring about a change for the better, should be willingly assumed. But it should be borne in mind, that when missionary work of any kind is undertaken, success much depends upon the character and qualifications of the teachers or missionaries employed. They must possess a zeal which is according to knowledge, and be fully equipped to meet whatever opposition may be encountered. Ignorance, prejudice, scoffings, contumely, false accusations, and all sorts of "buffets and scorns," may have to be encountered, and should be prepared for. When one assumes the role of a teacher, he should not forget that "knowledge is power." As St. Paul "reasoned of righteousness, temperance, and judgment to come, Felix trembled!" "He that teacheth man knowledge, shall he not know?" "A man of knowledge increaseth strength," and "the lips of the wise disperse knowledge; but the heart of the foolish doeth not so." The local agents of the country constitute a large army, and well equipped and disciplined can accomplish a vast amount of good; in fact, the fire insurance companies may well feel that without the well directed and intelligent co-operation of the local agents, there will be little use in trying to improve the present unhappy condition of fire insurance interests. Many of them are men of experience and much ability, and well qualified to take a hand in any kind of campaign designed to dissipate popular ignorance and prejudice with respect to fire insurance. If any one of them lacks that practical knowledge of the business which would enable him to tell an applicant for insurance just what it is worth to insure his house or his grist mill, it is only because he has had no opportunity to find out! A good many of us are in that predicament. Right here is where the duty and responsibility of every fire insurance company, as a medium of information or instruction, becomes apparent. In the learned professions, men gain the knowledge that enables them to make a start, from others—in other words, it is second-hand knowledge; they rely upon the experience, learning, and investigations of others for their original equipment. In the business of fire underwriting where shall we go for learned teachers or professors? Where shall we find the fountains of knowledge? Unfortunately, as I think, we have no "School of the Prophets" where young men (and young women, too,) can get a fair practical knowledge of fire underwriting. This kind of schooling has to be dispensed with, because of lack of facilities. The result is, a large majority of agents have to enter upon their duties without the advantage of any previous experience in the business. If no great harm or inconvenience results from this necessity, it is largely due to the fact that, in these days of fast mails, the telegraph, and the telephone, it is an easy matter for agents to keep in touch with the head offices of the companies they represent (where the fountains of knowledge, as to practical details, are supposed to be located,) and thereby avoid any serious mistakes. Notwithstanding the drawbacks referred to, all local agents, whatever their lack of practical experience, in individual cases, may be, can make themselves useful in the "campaign of education," whenever, or wherever, an opportunity presents. As already said, they need to act with wisdom, discretion and understanding; but there are many bad laws on

the statute-books, which can be shown up in their proper light, without full knowledge of fire underwriting, to be gained only by practical experience—laws that do violence to sound common sense and wise public policy. Of course, when questions are to be discussed that need to be treated from the standpoint of actual experience—with reference to the “facts and figures” which the companies alone can furnish—it is proper to say that those who undertake to argue from such premises, should possess a good stock of ideas, and facts to support them; in other words, they should “know what they are talking about.” Right here, I repeat, is where the value of knowledge gained by practical experience becomes all important, and enforces the view I have taken of the present paramount duty of fire insurance companies. They must be prepared to supply such information as may be needed, to establish the reasonableness of whatever claims they may make. If the fountains of knowledge which they possess are not as full, or as accessible, as they should be—if they are not prepared to furnish the “facts and figures” required to justify their contentions, as to any matter of supreme importance—they should lose no time in supplying the deficiency. There is ample room and need for mutual co-operation on the part of officers, managers, and agents, each in the place where the most good can be done. The situation is such as to make it necessary for all to stand together. “United we stand; divided we fall.”

BENEFITS TO BE ANTICIPATED.

What practical good do I prophesy as likely to result from our ability to put fire insurance rating on a mathematical and scientific basis? Among other benefits that can, in my judgment, be confidently anticipated, may be mentioned the following: There will be no ground for arguing that rates of insurance are a matter of mere caprice, being based upon nothing certain in way of experience, and subject to change according to the exigencies of the situation resulting from competition; which should help to secure, as already suggested, the confidence, respect, and I may say, the good-will of those with whom we have to deal in our business as fire underwriters. I say “greatly help,” for there is something besides rates to be considered if we would place our business on a plane of high commercial honor and respectability. Again, it should have the effect to do away with the absurd division of risks into what we call “preferred” and “non-preferred.” These terms never should have been allowed to take the places of the old-fashioned designations of “non-hazardous,” “hazardous,” “extra-hazardous,” and “specially hazardous.” One class of property should be made to return to insurance companies the same per cent. of profits as any other class; there should be no “robbing of Peter to pay Paul.” And this should lead to the abolishment of so-called “graded commissions”—a parasite that has been worrying some of the companies. Other companies not annoyed by that particular trouble, have some other of like character equally bad, if not worse. All have gone astray—there is none good, no, not one—and are reaping the consequences in a largely increased expense ratio. The anti-toxin will be found in making it impracticable for companies to pay a higher rate of commission on non-hazardous than on

hazardous, or extra-hazardous risks, whatever the difference in the cost to the agent of securing the business, may be; he will have to take the lean with the fat. Another good result ought to be, the easier maintenance of local boards. I believe in local boards, when managed with a proper degree of intelligence and with a view to the promotion of the general good—not as a machine to be worked for the special benefit of a minority of the members. Having an intelligent or reliable guide for the rating of risks, there would be no valid excuse for not heartily sustaining such a board. And why should not the designations of “board” and “non-board,” of “union” and “non-union,” as applied to companies at present, disappear? Why should some of you “field men” be spoken of as representing “union,” and others as representing “non-union” companies? There should be but one household of faith, as to all essentials—one faith, one baptism. This will bring back the business of fire insurance to the condition of respectability which characterized it in the early years of its history. The non-resident brokers, who have been justly complained of as poachers on the preserves of the local agents, will naturally disappear. Last, but not least, it should make it comparatively easy to secure the repeal of the obnoxious, unreasonable, and absurd laws that are now vexing us in so many of the states of the union. It may be that the Associations of Local Fire Insurance Agents will steal a march on us, in this matter; but if so all the more glory to them! I would plead for harmony and co-operation in “all good ways and works.” Looking at the two classes of companies to which I have referred, designated as “union” and “non-union,” I would say as the immortal Lincoln said in his first inaugural address, referring to the people of the two sections, North and South: “We are not enemies, but friends. We must not be enemies. Though passion may have strained, it must not break our bonds of affection.” We are inspired by the same hopes and aspirations! We all have the same dangers to confront—the same victories to achieve! By all standing together, our safety and prosperity will be the more easily assured. But I suppose entire unanimity of action is too much to be hoped for. If we had it to-day, how long would it take us to find a way to put a stop to such burlesques on our business, as we are now witnessing here and there—in the city of St. Louis, for instance! The companies, or agents that refuse to co-operate in maintaining fair rates and good practices, remind me of the temperance societies in my boyhood days, when it was customary to ask everybody to sign the temperance pledge. Some hard drinkers refused, on the ground that they did not propose to “sign away their liberty.” Such companies and agents are not to be called hard drinkers, but the reason they give for standing aloof is similar—they do not propose to “sign away their liberty.” But when the new order of things, which I have had in mind in this address, shall come to pass, I trust there will be few unwilling to sign the pledge of mutual co-operation! When that good time shall have arrived what a heaven upon earth we will have, as compared with present conditions! Welcome the day! “Let us have peace!”

Gentlemen of the Fire Underwriters' Association of the Northwest: I thank you for the patience with which you have listened to

me. As stated in the beginning, there is little that is new to be said. And now, in closing, let me say that if our business of fire underwriting has lost any of the prestige or respect which it once enjoyed, it is our duty to do what we can to recover the lost ground. The standards of personal honor and integrity—what we call business ethics—apply to us as well as to men in other pursuits. Knowledge and experience are not the only equipment we need in our business; we should duly appreciate the great responsibilities that rest upon us, and in their discharge come as near to doing the best we know how, as may be possible for us. To do otherwise, is to become a moral failure. Paraphrasing the words of the great Apostle, though we speak with tongues of men and of Angels; though we have the gift of prophecy, and understand all mysteries, and all knowledge, and have all faith, so as to remove mountains, and have not “charity for all, with firmness in the right, as God gives us to see the right,” we become, so far as our influence for good in our business, or in our daily life, may be concerned, as sounding brass or tinkling cymbals. My best wish for each one of you is that you may so discharge the duties devolving upon you, respectively, that when the time shall come for putting off the harness, you may receive, both in this world and in the world beyond, the plaudit: “Well done, good and faithful servant.”

Mr. Collins—

Mr. President, I take the liberty of voicing the sentiment of the members of this Association in telling you, sir, that you have made no mistake in selecting such a young man to deliver the Annual Address. He is young in years but old in experience. Gentlemen, I move that the thanks of this Association be tendered to Mr. J. F. Downing for his able and very instructive address.

Mr. W. O. Chamberlain—

I second the motion.

The President—

Gentlemen, you have all heard the motion to convey to Mr. Downing a vote of thanks for his very able address, and I will ask that all in favor of same so signify by rising.

Motion carried unanimously.

The President—

Our next paper is from the pen of a gentleman who thinks he is qualified to speak on any subject and is prepared to discuss “Theory vs. Practice.” I have the pleasure of introducing Mr. Fred W. Williams, Special Agent of the Aachen & Munich Fire Insurance Company.

THEORY VS. PRACTICE.

Mr. Fred W. Williams—

MR. PRESIDENT AND GENTLEMEN OF THE FIRE UNDERWRITERS' ASSOCIATION OF THE NORTHWEST:

As an introduction to my remarks, I will grant myself the privilege of asking the question: "Have you ever wended your way to a railroad depot to take a train, and while waiting there listened to the harangue of some individual who was unloading a surplus number of prescriptions for ridding the government of the many ills which, in his opinion, it had fallen heir to?" My appearance before you demonstrates that family is not confined solely to railroad depots.

It is a useless waste of valuable time to make a rule, no matter how consistent, no matter how applicable, no matter how necessary, unless that rule be put into practice when the contingencies arise for which it was created. In other words, theory without practice is of no force and effect. The foundation of all business is system, and with pursuits especially of great magnitude and of large scope, the adherence thereto materially marks their success; just so does the absence thereof invariably record their certain destruction.

The business of fire insurance, penetrating, as it does, every corner of the globe; being a recognized necessity; of a common interest to the people at large; conceded to be a prime factor in the credit world; creating for the man of affairs a peace of mind which he could not possess without the protection afforded him through its channels, and which can come to him through no other source, should be conducted on a plane in keeping with its usefulness, embodying in its frame that dignity of position, that honesty of purpose, demanding for it that prestige and respect which is found only in atmospheric purity, safely beyond pollution by political demagoguery, its pulse to be felt by intelligence rather than by the quack clothed in authority through favor without regard to competency.

Did the thought ever occur to you what the world would be without it, and do we realize the destiny of this great and grand undertaking is in our keeping? Be it so, our calling is a common purpose, our success dependent upon the course pursued.

A young man once applied for the position of wheelman on a steamboat which plied the Mississippi river. The sturdy captain asked him if he knew where the snags were. He said, "No, I don't, but I know where there aren't any snags and that is where I calculate to steer."

There is nothing so beautiful as nature; there is nothing so reasonable as nature; there is nothing created in nature but which, if used in its intended way, will produce good; and just so truthfully can be said the abuse of those principles will surely bring forth the penalty in sympathy with the infraction. The shining of the sun, of the moon, of the stars; the beauties of a typical summer day, are marred by the coming of the storm, though only temporarily, for the darkened hour is soon a thing of the past, and out of the troubled sky comes again the normal condition, more beautiful than before, every-

thing refreshed by the experience, each function more able to perform its duty. So it is with our career; we have our days of sunshine, our hour of peril, and let us hope that, like nature itself, we may be correspondingly benefited, our strength increased to so better perform the duties of our vocation, that our acts may in justice call forth that commendable blessing, "Well done, good and faithful servants."

The justification of a sound doctrine can always be exemplified through logical argument, while for an unsound doctrine there is no defense. Therefore, if reasons sound in wisdom can be given for theories presented and customs of practice, it cannot be charged that the house is not builded upon a solid foundation.

The legislation of fire insurance must be upon lines so finely yet distinctly drawn, that the recognized identity of its objective purposes may be strengthened as time rolls on; that its usefulness may be increased rather than diminished, so that the demands for which it was created may be coped with in safety to both the companies and the insuring public, the evolution of its theories and practices well in keeping with the progress of the hour.

The theory of rate making from schedules based upon the experience of a number of substantial companies, during a reasonable length of time, including a margin for a fair profit, should not be obnoxious to the most technical insurer. The theory of Local Board organization for the promulgation and preservation of such tariffs, of policy forms, and other principles just as consistent and necessary, should not be ignored nor made light of, no more than should State or General organization founded under the same influences, they simply enjoying a broader field for usefulness. In fact, I am willing to go so far as to say, and without fear of contradiction, that were such institutions endorsed by the companies in the manner befitting them, they would not at this time be characterized as piratical formations, created wholly from selfish motives for solely persecutive purposes.

As to associations, companies should not be permitted to straddle the fence. If the organizations which have been factors in the conduct of the business be conceded to have been conducive to its interests and to its upholding, that record is sufficient argument for this asking for their encouragement and maintenance. The present condition of permitting companies to be faithful to their calling and to their moral obligations in certain localities and entirely in conflict with them in others, and still be privileged to retain their deaconships in the tabernacle, is beyond my comprehension, and I am almost persuaded to assume the evasion has not always been for the excuses offered in defense of such position, but for opportunites to indulge in selfish practices at variance with the Golden Rule, which course has rent the ties of good-fellowship, has bred dissension in the ranks, and even brought divorces into the family. If we are to charge ourselves with anything, let it be our hunger for the recognition of sound principles emanating from consistent theories and correct practices, justified first by our own line of conduct, and second by our undivided support of the same, not only in spirit but in actual reality and sincerity.

If there be a business upon the face of the earth which, in the eyes of the public, commits a crime when it assumes to figure a

profit, it is fire insurance. Therefore, I say, let us abolish any appearance even of star chamber sessions; let us give free expression to the whys and wherefores; let us attract the attention of the insurer by our eagerness to show our hands, for just so sure as we enlighten him, just so sure will we remove that antagonistic feeling which we know exists in his heart, which we know to be a prejudice unwarranted, born and succored wholly upon misunderstanding.

Self-preservation is the first law of nature, and to be of use to others the mode of procedure must be in keeping with solvency and permanency. Of a few? No. Therefore, there should be unity of action. What does unity of action mean but co-operation, and what does co-operation mean but Local Boards, State Boards, Compact Systems and the like; and what do they mean but adequate rates? A systematic compensation is as equally justifiable to the companies as the fixed amount of the issued policy is to the insured. That being so, why not put our shoulders to the wheel in sympathy with, and in defense of such institutions? If there be those who do not feel the necessity of obtaining tariff rates, and elect to paddle their own canoes, let a goodly supply of life preservers be among their assets, for they are liable to get into deep water. In line with this same argument, when honest convictions dictate to the companies certain rights and privileges in any field of action, it is their duty to stand firmly together and assert the same, rather than relinquish their title thereto when questioned through bigoted misconstruction of even common law. The day of subserviency to persecution must pass, and it is with pleasure that I refer to the gallant fight made and glorious victory won by the Connecticut Fire Insurance Company in Kansas. Did I say Kansas? I beg your pardon.

Unprejudiced law-making need not be feared, there being a common interest, any measure of practical good to the policy-holder must necessarily be of corresponding benefit to the companies, and just so will any hardship placed upon the companies fall also upon the shoulders of the insured. I venture the assertion that to the account of division in our own ranks can be charged much of the adverse legislation with which we are contending. I regret to say many of the most obnoxious bills which have been introduced in the halls of government, first saw the light of day in the fertile but diseased brain of one of our own family, perhaps to gratify a selfish whim or to obtain notoriety, and sometimes to satisfy a vindictiveness against some company for the seeming abuse of its privileges, whereby some interest possibly was affected. That is one reason why, in my opinion, Associations of Local Agents, whether they be limited to town, extended to state, or inclusive as the country's boundaries, should be greeted with open arms and granted the righthand of fellowship.

They cannot, they will not, they dare not sink the ship just so long as their salvation depends upon its safety.

The gathering together of such bodies of individuals, whose interests are identical, where opportunities are given for better acquaintance, where views are exchanged, where conditions are discussed, where platforms for the future are mapped out, calculated to promote

the interests of the majority, should be duly encouraged, but for themselves it must be understood they will profit nothing without the conduct of their daily affairs be in conformity with their deliberations, and the true spirit of their teachings be put into actual practice.

For instance, a certain Special Agent, not a very long time ago, visited quite an important city for the purpose of securing a local representative. He called upon the several Agents, one of whom had just returned from a meeting of the State Association of Local Agents, where he was accredited with having delivered the "hurrah" speech of the hour in favor of the Single Agency System. Five of the companies he represented were operating two agencies in his town. The Special Agent tendered to him the sole agency of his company, which, by the way, enjoyed a more handsome financial showing than any of the so-called "double headers." His offer was declined with thanks, for the reason that said companies had considerable business on their books, and because the Agent refused to fight the battle which he claimed would be forthcoming if he resigned.

The Local Agents must not expect the companies to do for them what is within their province to do for themselves; therefore, to further any principle which they may advocate, they must first lend such movement their undivided support, and grasp every opportunity to advance it. Unselfishness must prevail, the value of principle must completely overshadow a specific interest whether it be that of company or agent, and until that day shall come, unnecessary ills will be ours and improvements in general will be provokingly hindered.

During the past few years it has seemed as though the paramount theory has been the securing of premiums even at the expense of casting by the wayside many old and established customs. This tendency was not general in aggressive originality, but being indulged in sufficiently to attract universal attention, the ambition to show an equality of usefulness soon became unanimous, resulting in a condition of affairs full of disaster and uncertainty, made so premeditatedly. What would be our opinion of the man, who, after receiving sufficient nourishment, deliberately proceeds to overload his stomach simply to starve some other fellow out, and what shall we say of the company which has proceeded in like manner? The gluttonish concern has discovered that it is no better off than its intended victim, and more shame be to it.

Does not the untimely end of so many companies speak for itself there is something radically wrong? For some of the retirements we hear only expressions of sympathy, while for others, such as the Traders of New York, and Manhattan, there are no regrets; simply the comments, "I told you so," "I expected it."

It is not necessary to explain the character of the first class, neither should we devote valuable moments to the element last named, but in connection with the latter it is befitting to mention how frequently we record the fact that during their dying hours they are given every attention, and when their final breath shall have been drawn, they are prepared for their long sleep with loving hands, the last ceremony is duly performed, and in every land, through the medium of the press, is chronicled the epitaph on the tombstone, "Re-insured." Well

may it be said under such circumstances: "O Death, where is thy sting; O Grave, where is thy victory." Re-insured, and in what? Around their emaciated and bespattered forms are enfolded the strong arms of some gigantic company, mighty in strength, but narrow in principle and selfish in nature. Why not let such Iscariots reap the harvest of their wild career? What more practical object lesson could there possibly be, were they allowed to die midst their own poison. Where is the consistency in an acknowledged powerful and honorable company paying a handsome price for the privilege of taking on the liability of a concern which has secured that liability through dishonorable methods, the classification of business undoubtedly in strict keeping with the tactics which secured it; a classification which would not be tolerated direct. Echo answers: "If we did not take it, some one else would."

The recent complications arising through the re-insurance of one of this number, through which action one of our respected brother companies was forced to cease operations in a portion of territory wherein it enjoyed handsome patronage, is, from a kindly feeling for it, deplored, but for the sake of principle, I say, "Amen!"

The practice of re-insurance of lines is equally pernicious. By it the law of average is seriously affected, the excess amount instead of being placed in natural channels often finds its way into the offices of companies having no agency in the town wherein the risk is located, thereby denying a regularly represented company from that share of the business to which it is justly entitled, and for which its agency was established. Re-insurance is another term for selfishness and greed. It is the incubator for dual agencies as well as annexes; it is a delusion and a snare; it makes insurance easier to procure; it magnifies the actual condition of a risk, and in that way increases the independence of the insured, thereby making it more difficult to secure a bettered condition of the physical hazard. I hope the day is not far distant when it can be said it is the reading of the law and a violation thereof for any company to issue a policy of insurance in amount exceeding the retained liability. The atmosphere is clearing on that point. Legislation in many states now requires re-insurance to be effected in companies authorized to transact business in said states, and in consequence from all quarters we hear the cry, the companies are cutting down their lines, with the result that deserving companies are receiving applications for agencies in places where a short time ago the Special Agents of the same companies were railroaded out of town.

Honorable competition is the life of trade. It is the best stimulator known. Its presence is so glaringly apparent that its existence cannot possibly be overlooked, and to combat this phase of business career with any degree of success, means aggressive work promptly executed.

The complications arising from practices in violation of honorable methods, especially in the securing of business, are, in my opinion, the most complex with which we have to deal, and I am afraid that through our weakness in the handling of this side of that question can be laid the responsibility for many of the ills with which we are

afflicted; diseases, every one of which seems to be full of contagion and extinct in no section. Therefore, let each and every one of us constitute ourselves into a committee to give our own doorstep the necessary attention to keep it clean.

The silliest argument ever presented is the license to break the spirit of an acknowledged principle because some one else has seen fit to do so, and so often do we find charges made to be imaginations developed through circumstantial evidence, but not in fact a reality. Are we to acknowledge such a weakness? I pray not. Let the appreciation of uprightness be so ingratiated into our souls that we may at all times act with that firmness characteristically calculated to exterminate even the very essence of such a failing.

Is it justice in any form to profess one thing and practice another? Is it justice to lower our own level through malicious practices or lax methods? Temporary and specific relief may seemingly result therefrom, but just so sure as I stand here, gentlemen, the day of retribution will come to that transgressor, and, like the opium fiend, the dream will soon be o'er, it will be the same old story, and history will again repeat itself.

If experience tables show, to expect a profit, a one per cent. rate must be obtained, why should it be a temptation when we are asked to accept ninety cents? Keep off the risk—let the other fellow have it, and some day you will be granted a half-holiday to attend his funeral. As a general proposition, if existing rates are too low, let them be raised to an adequate figure, and let us obtain such or forego the business; that is an honorable way to die anyway.

As to the brain power at the heads of the companies, as to the material in the field, and as to the calibre of the Local Agents as a whole, there is no question, but it seems sometimes as though it be a question whether that brain power acts in concert with a clear conscience; whether the mouth-piece—the field man, in such case, in his desire to carry out the unprofessed wishes of his superior officer, is not obliged to ignore his moral obligations, and thereby, is not the Local Agent often unjustly censured and criticized, while he is simply the tool in the manipulation?

There is one thing certain, a Local Agent cannot stray very far away from the straight and narrow path without his companies stand for it; he will not continually disobey instructions unless it be tolerated; he will not cut rates if he be told he must not. I believe it only justice to the Local Agent to say the feeling that the companies legislate without regard to his interests, is fast removing itself from his makeup. I believe his confidence in the companies is increasing, and I believe our daily work should include an effort to demonstrate the necessity of sentiment between company and agent, and to further the thought for either to be successful, both must be so. The intelligent agent can, without prejudicing either interest, represent both company and client, but when he does not, and sees only obligation to the latter, he must not blame the companies for legislating the business from their own standpoint.

We must be possessed with sufficient moral courage to give expression to honest convictions, and I ask for the field man the unlimited confidence of his superior officers. I ask for the field man the execu-

tive authority to exercise his good judgment without fear of criticism when the question is one of right and wrong, and lastly, I ask that the sacrifice necessary to maintain an honorable principle of underwriting be privileged to him.

Believing the natural tendency of men of intelligence to be in the right direction, I do not hesitate to guarantee the character of his work will be of increased value to his company under such platform. Many miles of unnecessary travel would be saved, and much of his expense would be eradicated were unbusiness-like practices estopped in the bud rather than be allowed to go on until demoralization reigns supreme, and again, the time so occupied would be used for the development of a company interest. The unreasonable extension of time for the payment of balances, the appointment of agents without bonds, the ignoring of tariff rates and proper forms, are all expense accumulating methods, unkind in the extreme.

The motto of this great city is, "I will." As we are a plural number, let those words in proper grammatical form be our watchword. Much can be accomplished if "we will"; many of our cares can be lessened if "we will"; the dignity of our profession can be elevated if "we will"; and last but not least, we can be better men if "we will," and better men means better work.

Let our obligations be those we propose to cheerfully adhere to; let us consider them sacredly above violation until we have been released therefrom, for far better is he who makes no pretensions than he who lives in an atmosphere of hypocrisy. By our works shall we be judged, and being so, let us be able to answer to our names at the last roll-call with the confidence that our duties have been so performed that those who follow will not feel compelled to make apology for those who have gone before.

The President—

Gentlemen, just one moment please; just one moment before adjournment.

We have listened to the very able paper from Mr. Williams and I would be glad to have some discussion. Would any one like to discuss Mr. Williams' paper?

Mr. Williams seems to have covered the ground so thoroughly that nobody cares to discuss it.

COMMITTEE ON PRESIDENT'S ADDRESS.

The President—

I will state that the Committee appointed to report on the President's Address is composed of the following gentlemen:

H. C. EDDY.

J. M. RICHARDS.

JNO. P. HUBBLE.

ROBERT L. RAYNOLDS.

JNO. MARSHALL JR.

The Chairman requests that the members of this Committee meet in this room at 9 o'clock to-morrow morning.

Upon motion the meeting adjourned to 2:30 P. M.

AFTERNOON SESSION.

WEDNESDAY, September 25, 1901.

COMMITTEE TO NOMINATE BOARD OF
DIRECTORS.

The President—

The Committee to name the Board of Directors for the ensuing year are the following gentlemen:

F. H. McELHONE.	A. R. MONROE.
M. H. N. RAYMOND.	D. S. WAGNER.
GEO. H. BELL.	

They will please accept this notice for their benefit.

The subject of "Inspections: Personal and Otherwise," is talked very largely. There has been considerable controversy on this question and I have invited a man who is authority on inspection to tell us something of what he thinks about it. We will have great pleasure in listening to Mr. H. F. Cornell, of Detroit, Michigan, General Agent of the German Insurance Company of Freeport, Ill.

INSPECTIONS: PERSONAL AND OTHERWISE.

Mr. H. F. Cornell—

MR. PRESIDENT AND GENTLEMEN OF THE FIRE UNDERWRITERS' ASSOCIATION OF THE NORTHWEST:

Having accepted the honor of an invitation to read a paper before this Association, my first thought was, of what can I talk that will be at all interesting to the members, nearly all of whom are so well informed upon the questions pertaining to the business of fire underwriting.

After some consideration I referred the matter to a friend with the request that he select a subject for me. He replied, "One can best tell of that he knows the most of." I may not know as much as I ought about making inspections, but having had considerable experience in that work, concluded I could fill in the time your honored President has given me to advantage. Which may, so to speak, be considered as a filler. Everyone, in whatever business engaged, at one time or another makes use of it. The wood polisher uses a wood filler. The special agent fills in his time making inspection slips, and much other work not laid down in instruction books; the claimant his schedule, which is quite often stuffed as well. The filling process is quite necessary at times and is generally very effective. I trust that in this case it will at least be acceptable.

Inspections are made in several ways, viz.: the honest, careful and intelligent; the hasty one; that made from a distant observatory; the map system and butcher method. All have their followers. The painstaking, careful, intelligent inspections are the most frequent and

of much more benefit to the company, but require much patience, hard work and time, besides are very expensive. A single inspection often costs the company an amount equal to or exceeding the premium collected for the risk, therefore, it should be the aim of the special to do the work promptly and efficiently so far as possible, for it may mean the saving of great loss to the company; on the other hand the net profit at the end of the year enhanced, which to a certain extent redounds to the credit of the special agent quite as much as to the manager, for each field or state must bear its own expense, the special being responsible, it follows that with a light loss ratio a profit is assured.

Inspections made from the office, register and map are of but little benefit to either the company or the inspector, as the company does not receive the benefit of his judgment, and in case of a loss the special has but little, if any, information to enable him to even venture an intelligent opinion or determine what an equitable settlement should be, and as the major portion of the losses are adjusted by the special agent, he should be forewarned by not only being intimately acquainted with the risk, but assured as well. Such intimacy is of untold benefit.

The question of the use and storage of gasoline is one of great importance and should be handled with the greatest of care, for with all known precautions it has proven exceedingly dangerous both to life and property, and where its use is permitted it should be surrounded with the most rigid safeguards. When any considerable quantity is found, care should be taken to see that the conditions for its use are strictly complied with. The recent explosions at Philadelphia and elsewhere is a warning to underwriters. Gasoline lamps should be carefully looked after and instructions given as to their use, particular attention being given as to the kind and to the manner in which they are hung. The cheapness of the light will compel its use, but such restrictions can be maintained that there will be less danger. These lamps may not be as dangerous as the red-headed match, but owing to the volatile nature of the fluid, it stands a close second, and the danger signal ought always to be out. The use in dwellings and flats of these lamps, as well as stoves burning gasoline and the new acetylene lamp, and for other reasons too numerous to mention, make it necessary to inspect this class of business quite as much as others. I think you will also find that not only the physical conditions of a risk ought to be carefully looked after, but the moral of the assured as well. Character should be scrutinized, condition of trade or lack of it, all need to be in a general way considered. If an out-of-town merchant, ascertain length of time in business, and if ever engaged in business elsewhere, you may find a trail leading back to something peculiar to say the least. Commercial agency reports are not always correct, and it does not follow that because the assured is reported as having failed once or twice, and that he has suffered by fire and was over-insured that he is necessarily bad. Examine the facts carefully. He may have been unfortunate, both as to business experience and loss by fire. I confess that an unfortunate man's business is from a fire insurance standpoint, quite as unprofitable to the company as that

of the truly bad. Ofttimes they are one and the same. It is the abnormal loss we are to overcome, and in my humble opinion, careful, systematic, painstaking inspection is the one panacea. The fact that the assured is worth a million dollars or more does not materially affect a really poor risk, at least so far as its physical condition is concerned. It might be accepted, knowing it to be poor, as is sometimes the case, to pave the way to obtain from assured the more desirable business. I doubt the wisdom of such action, however.

Rating bureaus have done much good by suggesting to assured the feasibility of certain improvements, holding out as an inducement a reduction in rate, but could be of much greater usefulness, both to the assured and underwriter, were they in a position to offer competent and substantial information as to construction of new and improvement of old buildings; then, too, they should be in a position to explain how a rate is arrived at, that is, explain to assured, if required, why it is one per cent. or any other fixed rate. Give the assured to understand that with improvements come a reduction. Avoid the mistake of allowing the Bureau to make an advance upon the ground that the former rate was not adequate, for this would prove the inconsistency of the rating department, and at the same time does the assured an injustice. The use of a modified universal mercantile schedule applied by competent men, would be of great benefit. Take the public into your confidence; if necessary, inform the press from time to time of needed improvements and reforms, especially those pertaining to municipal fire protection. When asked for information give it to them. The press exerts great influence for good or for bad. Interest it in your behalf. It has accomplished much good. Treat it liberally and good results will surely follow.

The company depends much upon the judgment of the special agent to enable them to determine if a risk is acceptable or not, and therefore it follows that their reports or inspection slips should be full and complete; otherwise they would fail of their object. Not only the character of the risk, but the amount of the company's net line should be considered. To secure an intelligent, efficient inspection requires time, patience, and a more than ordinary mind. Requires one having a practical understanding of the different hazards; ability to determine and detect the defects, and be endowed with ability enough to fully and clearly explain how they can be remedied. It is the purpose of the underwriter and a part of the business to make every risk acceptable, thereby increasing the amount of the company's income. All dangerous features should be pointed out to assured. He is entitled to this to enable him to remedy the defects and make the risk not only acceptable, but secure to him the best possible rate. I believe it is quite as necessary to observe the condition of the fire escape and see that they are properly and safely arranged, as it is to insist that oily waste is properly taken care of, shafting placed out of sight properly protected or smoking prohibited, for if assured is careful for the safety of the employees, you rightly assume he will do all he can consistently to make the risk safe from fire also. It has been said that good business will burn. No doubt of it, and this year is no exception, but undesirable business not only burns, but the rate obtained does

not compensate or make up for the difference. It also endangers the better class, for it is a known fact that the preferred business, so-called, is paying a rate sufficient not only to meet its own losses, but for much of the poorer class. Considerable of the time devoted to inspection by the average special agent is, I think, wasted. He is not wholly to blame for this, being often expected and required to do more than he can thoroughly accomplish in the time given him. Oftentimes his one object seems to be to determine if the risk is acceptable in order to secure the premium thereon, an income so much desired and insisted upon by the manager. Here let me say, I believe if the special agent would fully inform the local agent as well as the secretary of the Local Board (the latter in states where such boards exist), of the hazardous nature of certain risks and point out all the defects, you would find they would be more quickly remedied than if the special attempted to obtain the improvement himself. The Local Board, if rightly managed, has a power the average special has not in a local community. An inspection slip, in my judgment, ought not only to be a concise description of the risk, but explain fully where the danger, if any, lies, and what is necessary to make it acceptable.

Inspection slips cannot be made up from office registers and maps or from information received from others, and be of any great value. An eastern company recently received an inspection slip covering a brick building occupied for numerous purposes, the rate on which was 76 cents. Undoubtedly it was the omnibus character that called their attention to it. The exposure on the west, shown by the slip, was a brick and frame flouring mill rated at \$4.75. The company immediately requested an advance, stating to the agent that the exposures warranted it. In reply the agent informed them the rate was full tariff, furthermore, that the mill had been raised to the ground and a fine new brick building now stood in its place, the rate upon which was even less than the risk in question. It is needless to say that the inspector was asked for an explanation. This gentleman is not now connected with this company. Moral, don't follow the map too closely when filling up your slips.

It has been said, and rightly, too, that the subject of fire insurance grows more scientific and complicated every year, and that those who lead in reforms must come from among those who by strict attention to duty gain the experience, have the ability and think for themselves, rather than ape others. "Every man connected with an insurance company is valuable to that company only when his services and connection with it influence the right side of the profit and loss account."

I would not say that the average inspection slip is burdened with too many questions, but do contend that the remarks of a competent inspector is of much greater value to the daily report examiner.

A survey may be gotten up very attractively; the diagram complete; explanation carefully made. It looks fine, and is fine; nevertheless, the examiner marks in blue pencil "decline," for the inspector's report notes the undesirableness of the risk. When an inspector meets the assured, points out radical defects in his risk, and is met with the reply, "Will attend to it, but am too busy now," do you ap-

prove in order to secure the premium, or do you make this note upon the slip, "Will re-inspect." It is absolutely necessary to make an inspection of the company's business if a profit is expected, even though not assured. This has been fully demonstrated by the many reckless underwriters, whose names are on the retired list or ought to be. How these inspections shall be done, whether by competent or cheap men, is a matter of opinion only. I am satisfied, however, that the company making careful and systematic inspections will surely obtain better results than if not so done. By systematic I mean that it should be done by competent, and not by cheap, unreliable and inexperienced men. It is necessary to employ competent, faithful and willing inspectors, who will and do make careful examination of every risk on the books of the agency, for a good special agent is worth everything to a company. A poor one, money and time wasted. It is folly to send a man to inspect a factory who does not know a sanding machine from an emery wheel or friction clutch. I have found it not a bad idea for an inspector, if he is not familiar as to a certain class, to read up before making the inspection. Fire walls and doors, shutters, trap doors, elevator shafts, shafting in concealed places, under floors and extended through walls, and electric wiring must be examined. It is easy to see if a double-headed or staple tack is used to fasten the wire and that in driving it the insulation has been removed. Storage of oils, calcium carbide and gasoline in large quantities looked after, and last but not least dirty basements and cumbersome attics. A number of fires have originated from sparks from arc lamps, the carbon falling from same through broken globes. The incandescent lamp also causes many fires, being so handy and useful for decorative purposes in windows. We may not determine the volt resistance of a wire, a short circuit or the safety of a switch, but we can ascertain if lamps are safely installed and protected. We may not be a Jardine, Merrill, a Benallack or a Simonson; but we can give the risk an intelligent examination and determine quite accurately if safe and desirable, and judge quite as well as the expert whether the spelling of assured's name, position of his hands or the shape of his nose would indicate a specially hazardous risk. Time was when a special survey with diagram was required of the agent. Then, only the special hazard was deemed worthy of the inspector's attention. Now, we find it quite as necessary to inspect everything on the books of an agency, and much that is not, for, even though the risk itself is all right, some one occupying this or the adjoining building is not. I contend it is a part of a special's duty to determine the line a company should write in a given locality, even though his recommendation is not always approved by the manager. Ofttimes an inspection discloses a double line on and in a building shown on our maps as having double fire or party walls, whereas none exist. A policy covering a brick building is found to cover only a frame building veneered with brick. These and numerous defects are discovered by the energetic special. The time is not far distant, I think, when much of the work will be done by a bureau or an association conducted for this purpose only and amply equipped to not only make systematic inspections, but duplicate the reports and send out to sub-

scribers. The expense can be largely reduced and surveys obtained. This is now being satisfactorily done in the East on risks where the insurance written is \$40,000 and up. The surveys and reports are very complete and artistic, and furnished to subscribers at slight cost. A daily report is many times held on the examiner's desk, or recalled if passed upon, in order to secure an inspection report as well as assured's commercial and fire rating before making final disposition. It, therefore, becomes a potent factor of the business of inspection that the work be done promptly and well. Careful, thorough and systematic inspection, with co-operation of the assured, has as much to do with low rates of the New England Mutuals as the sprinkler equipment. No company cancels a risk it can consistently carry. It follows, therefore, that none should be declined without sufficient and good reason. I would not order a risk dropped at expiration. If your inspection shows it to be a poor one, cancel at once, and do it then and there. If you are unable to secure the policy, serve assured with the five day's notice of cancellation, even if you are obliged to remain over night to do so. Notwithstanding a company is a private concern conducted for the profit of the stockholders, the relations between the assured and insurer are mutual, and if it could only be understood that companies are only distributing agents of the many to the few who suffer loss, that we were insuring one another (for the premium is only a tax collected for the benefit of all), there would be less need of inspections, for the assured, realizing that by making his risk less hazardous would be benefited by a decrease in premium, reducing the tax per capita and stimulating assured to make improvements he otherwise would not. Insurance companies and managers are in the business for what money there is in it, and not for pleasure only. In transacting the business from day to day, they scrutinize each risk and endeavor to determine if it is safe physically as well as from a moral standpoint.

There is an expression familiar to many of you, which to me seems applicable to the work in hand—"Hang on to the rope." Don't get discouraged; each day brings its various duties and work, but if accomplished to your satisfaction it will have the approval of the management. We only belong to the rank and file of the volunteers, but if we give ourselves the same careful inspection we should the business, we can safely abide by the result. Let us take for our motto, "I dare do all that may become a man. Who dares do more is none."

If this paper should be the means of producing a single thought that will aid us in securing better results, or good, however small, come from it, I shall have been well repaid, even though you may disagree with much that I have said.

In conclusion, I thank you for the courtesy and honor of your invitation to address you on this occasion, and hope and trust my conduct, though at times it may have appeared aggressive, has been such as to command your respect and kind remembrance.

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The Local Agent should be given an opportunity to state his side of the case, so I have taken the liberty to invite a worker among the Local Agents, in the person of Mr. Jacob Wachenheimer, of Peoria, Illinois, who will talk to us on the question of Fire Insurance from "The Local Agent's Standpoint."

THE LOCAL AGENTS' STANDPOINT.

Mr. Jacob Wachenheimer—

MR. PRESIDENT AND GENTLEMEN OF THE FIRE UNDERWRITERS' ASSOCIATION OF THE NORTHWEST:

"The man who looks wise and says nothing often impresses others, until he speaks, and then they know he is a fool."

I must confess that this old saying was vividly brought to my mind when accepting the invitation to read a paper before this Association. I hesitated taking the risk of destroying what little impression I might have succeeded in making on some of you, also because I felt that it would be a very difficult task to say anything new upon a subject which has been worn so threadbare. However, I finally concluded to accept with the "all risks" clause (as they say in marine insurance), and if I should advance any heresies, or say anything out of place, would remind you, that even that bird of wisdom—the owl—has been known to hoot at the wrong time.

In treating upon the subject of insurance, from the Local Agents' Standpoint, I find it impossible, under the conditions imposed, to cover the general field of insurance, its benefits and necessity in the world of commerce, the method of conducting it and its ethics. I have confined myself largely to that branch of the subject most vital to the class I represent, namely: the Local Agent; his future and his relationship to client and company, and the American Agency System, which is what brought him into being insurancewise.

What is a Local Agent? No doubt many of the field men present entertain private opinions of what some of *their* Agents are, but I must be understood as referring to and dealing with the legitimate, "Real" Agent only, and I hardly think it necessary to give you a definition of what constitutes a "Real" Local Agent. Among the large crop of Local Agents, they only are the ones who come up to grade.

In no business that I know of are the interests of the principal, instead of being represented, so often grossly misrepresented, as in the insurance business. This I attribute to the fact that the "Real," intelligent Local Agent is in the minority. As to who is responsible for this state of affairs, I leave it to those who have the appointing power to judge.

The "Real" Local Agents are the preservers of the honor and good name of the insurance companies. After the policy of the company he represents has been dictated to him, the "Real" Local Agent expects to, and should, represent the interests of his company in every respect, but the company's full confidence in him is essential. This will make him feel his responsibilities and make of him a true Agent.

In every community where insurance Agents are numerous, it will be found that, as a rule, among the "Real" Agents there is harmony and good feeling. The "Real" Agent expects and enjoys legitimate competition. It is the life of *his* trade, as well as of other trades. In this connection I am reminded of the little boy who asked his mother for an apple, and when she gave him one, instead of eating it, he put it in his pocket. His mother said to him, "Johnny, inasmuch as you wanted an apple so badly, why don't you eat it?" "Oh!" said Johnny, "I want to wait until I get out among the boys. Apples always taste better when some one watches you eat them." So it is with the Local Agent. The capturing of a "big line" would be robbed of half the satisfaction and pleasure if there were no other Agents watching him get it.

The "Real" Agent who makes insurance his profession studies the subject from every standpoint. He keeps in touch with every phase and change influencing it, and one of the first things he learns, is that his interests are practically identical with those of the companies he represents, providing the companies are fairly and honestly managed. He knows that the standing, integrity and ability of his companies to carry out their contracts are of vital importance to him, and this being so, he is concerned about all matters of rate, practice and results, as affecting the interests of his companies.

He is deeply concerned about the enormous fire waste in this country, and he directs his best efforts in his community to educate insurers along the line of fire prevention, but unfortunately his good work is often spoiled by the so-called "Fool Agents" who out-number and out-vote him.

Personally, I feel that a continuance of the great fires and consequent abnormal loss ratio is calculated to make the average officer and manager, like the late Colonel Ingersoll, doubt the existence of such a place as Hades, for the reason that it will be hard for them to believe that there can be two places so nearly alike.

In all matters relating to the good and welfare of the insurance business, the "Real" Agent is with the company, and wants to be on the side of *right*. He knows that his client has full confidence in him and in his ability; that he is the "Company" with his client, so far as representation can make him, and he is anxious to preserve this status between his client and himself. To do this he knows it is necessary for him to be in strict accord with his company, that what he preaches must be in consonance with his company's views. He knows that he cannot go before the public with propositions at variance with the practice and policy of the company he represents, and that it would be suicidal to his interests to attempt it, but he has a right to expect that the company will not degrade him by prostituting itself to the broker and policy peddler, an unholy alliance out of which has

sprung "overhead writing," "multiple agencies," hostile legislation, unnatural strife and all the other evils that afflict our business.

The successful Local Agent must be endowed with tact and diplomacy. I know of no vocation requiring these qualifications to a greater degree. Sturdy individualism is, as a rule, one of his dominant characteristics.

The "Real" Agent dares to hope that the future holds in store for him a basis of compensation different from that now in vogue. The learned Henry Ward Beecher many years ago said: "The law of price is the skill, and the amount of skill expended in the work is as much for the market as are the goods." I believe this to be true of the Local Agents' services, and that the time *must* come when the skillful, experienced underwriter agent will, by some as yet undevised system of remuneration, be given the opportunity to earn and enjoy a profit commensurate with his abilities, at least to a greater degree than the unskilled agent. I may be nursing utopian ideas in this respect, or perchance be pursuing a phantom of hope, but as "hope springs eternal in the human breast," some views, however fanciful, may scatter grains of comfort.

The "Real" Agent does not want to be held down. He does not wish to be classed with the "misfits" and "side liners," and treated accordingly. He wants greater scope. Not enough distinction is made between the two classes of Agents, and it is only natural that the "Real" Agent should try to pull away from the other class. His is somewhat the position of a certain cat I am reminded of: Little Johnny was pulling the cat's tail, and his father said to him, "Stop pulling that cat's tail." Johnny replied, "I'm not pulling its tail, pa, I'm only holding on to it. The cat's pulling it." The "Real" Agents may be doing the pulling, but somebody ought to let go.

We hear a great deal nowadays about "Insurance Trusts," for which those engaged in the business know there is no foundation. It has even been hinted at in some quarters, that an Insurance Trust would be formed sooner or later, one of the objects of which would be the abolition of Local Agents. I am not a believer in such a sophistry, and cannot think this step will ever be seriously considered.

In every line of business now partially controlled by so-called "Trusts," men with experience, ability and capital have been able thus far to successfully compete, and should the Agency System ever be seriously menaced with extermination, the leading Local Agents of the country would find no difficulty in organizing gigantic companies to protect and write the business they control, but the American Agency System must, in my judgment, endure. The Local Agent is, and always will be, an indispensable factor in harvesting the crop of so-called "preferred" risks, for which all insurance companies throughout the length and breadth of this great country are every day and every hour industriously sowing seed. The countless scattered small risks which all companies seek, will always be controlled by the Local Agent, and this alone will keep him in the business and assure his permanency. This being so, it seems to me essential to mutual advantage, that there be a closer relationship and a greater "community of interest" between the Company and the Local Agent.

of much more benefit to the company, but require much patience, hard work and time, besides are very expensive. A single inspection often costs the company an amount equal to or exceeding the premium collected for the risk, therefore, it should be the aim of the special to do the work promptly and efficiently so far as possible, for it may mean the saving of great loss to the company; on the other hand the net profit at the end of the year enhanced, which to a certain extent redounds to the credit of the special agent quite as much as to the manager, for each field or state must bear its own expense, the special being responsible, it follows that with a light loss ratio a profit is assured.

Inspections made from the office, register and map are of but little benefit to either the company or the inspector, as the company does not receive the benefit of his judgment, and in case of a loss the special has but little, if any, information to enable him to even venture an intelligent opinion or determine what an equitable settlement should be, and as the major portion of the losses are adjusted by the special agent, he should be forewarned by not only being intimately acquainted with the risk, but assured as well. Such intimacy is of untold benefit.

The question of the use and storage of gasoline is one of great importance and should be handled with the greatest of care, for with all known precautions it has proven exceedingly dangerous both to life and property, and where its use is permitted it should be surrounded with the most rigid safeguards. When any considerable quantity is found, care should be taken to see that the conditions for its use are strictly complied with. The recent explosions at Philadelphia and elsewhere is a warning to underwriters. Gasoline lamps should be carefully looked after and instructions given as to their use, particular attention being given as to the kind and to the manner in which they are hung. The cheapness of the light will compel its use, but such restrictions can be maintained that there will be less danger. These lamps may not be as dangerous as the red-headed match, but owing to the volatile nature of the fluid, it stands a close second, and the danger signal ought always to be out. The use in dwellings and flats of these lamps, as well as stoves burning gasoline and the new acetylene lamp, and for other reasons too numerous to mention, make it necessary to inspect this class of business quite as much as others. I think you will also find that not only the physical conditions of a risk ought to be carefully looked after, but the moral of the assured as well. Character should be scrutinized, condition of trade or lack of it, all need to be in a general way considered. If an out-of-town merchant, ascertain length of time in business, and if ever engaged in business elsewhere, you may find a trail leading back to something peculiar to say the least. Commercial agency reports are not always correct, and it does not follow that because the assured is reported as having failed once or twice, and that he has suffered by fire and was over-insured that he is necessarily bad. Examine the facts carefully. He may have been unfortunate, both as to business experience and loss by fire. I confess that an unfortunate man's business is from a fire insurance standpoint, quite as unprofitable to the company as that

of the truly bad. Ofttimes they are one and the same. It is the abnormal loss we are to overcome, and in my humble opinion, careful, systematic, painstaking inspection is the one panacea. The fact that the assured is worth a million dollars or more does not materially affect a really poor risk, at least so far as its physical condition is concerned. It might be accepted, knowing it to be poor, as is sometimes the case, to pave the way to obtain from assured the more desirable business. I doubt the wisdom of such action, however.

Rating bureaus have done much good by suggesting to assured the feasibility of certain improvements, holding out as an inducement a reduction in rate, but could be of much greater usefulness, both to the assured and underwriter, were they in a position to offer competent and substantial information as to construction of new and improvement of old buildings; then, too, they should be in a position to explain how a rate is arrived at, that is, explain to assured, if required, why it is one per cent. or any other fixed rate. Give the assured to understand that with improvements come a reduction. Avoid the mistake of allowing the Bureau to make an advance upon the ground that the former rate was not adequate, for this would prove the inconsistency of the rating department, and at the same time does the assured an injustice. The use of a modified universal mercantile schedule applied by competent men, would be of great benefit. Take the public into your confidence; if necessary, inform the press from time to time of needed improvements and reforms, especially those pertaining to municipal fire protection. When asked for information give it to them. The press exerts great influence for good or for bad. Interest it in your behalf. It has accomplished much good. Treat it liberally and good results will surely follow.

The company depends much upon the judgment of the special agent to enable them to determine if a risk is acceptable or not, and therefore it follows that their reports or inspection slips should be full and complete; otherwise they would fail of their object. Not only the character of the risk, but the amount of the company's net line should be considered. To secure an intelligent, efficient inspection requires time, patience, and a more than ordinary mind. Requires one having a practical understanding of the different hazards; ability to determine and detect the defects, and be endowed with ability enough to fully and clearly explain how they can be remedied. It is the purpose of the underwriter and a part of the business to make every risk acceptable, thereby increasing the amount of the company's income. All dangerous features should be pointed out to assured. He is entitled to this to enable him to remedy the defects and make the risk not only acceptable, but secure to him the best possible rate. I believe it is quite as necessary to observe the condition of the fire escape and see that they are properly and safely arranged, as it is to insist that oily wast is properly taken care of, shafting placed out of sight properly protected or smoking prohibited, for if assured is careful for the safety of the employees, you rightly assume he will do all he can consistently to make the risk safe from fire also. It has been said that good business will burn. No doubt of it, and this year is no exception, but undesirable business not only burns, but the rate obtained does

not compensate or make up for the difference. It also endangers the better class, for it is a known fact that the preferred business, so-called, is paying a rate sufficient not only to meet its own losses, but for much of the poorer class. Considerable of the time devoted to inspection by the average special agent is, I think, wasted. He is not wholly to blame for this, being often expected and required to do more than he can thoroughly accomplish in the time given him. Oftentimes his one object seems to be to determine if the risk is acceptable in order to secure the premium thereon, an income so much desired and insisted upon by the manager. Here let me say, I believe if the special agent would fully inform the local agent as well as the secretary of the Local Board (the latter in states where such boards exist), of the hazardous nature of certain risks and point out all the defects, you would find they would be more quickly remedied than if the special attempted to obtain the improvement himself. The Local Board, if rightly managed, has a power the average special has not in a local community. An inspection slip, in my judgment, ought not only to be a concise description of the risk, but explain fully where the danger, if any, lies, and what is necessary to make it acceptable.

Inspection slips cannot be made up from office registers and maps or from information received from others, and be of any great value. An eastern company recently received an inspection slip covering a brick building occupied for numerous purposes, the rate on which was 76 cents. Undoubtedly it was the omnibus character that called their attention to it. The exposure on the west, shown by the slip, was a brick and frame flouring mill rated at \$4.75. The company immediately requested an advance, stating to the agent that the exposures warranted it. In reply the agent informed them the rate was full tariff, furthermore, that the mill had been rased to the ground and a fine new brick building now stood in its place, the rate upon which was even less than the risk in question. It is needless to say that the inspector was asked for an explanation. This gentleman is not now connected with this company. Moral, don't follow the map too closely when filling up your slips.

It has been said, and rightly, too, that the subject of fire insurance grows more scientific and complicated every year, and that those who lead in reforms must come from among those who by strict attention to duty gain the experience, have the ability and think for themselves, rather than ape others. "Every man connected with an insurance company is valuable to that company only when his services and connection with it influence the right side of the profit and loss account."

I would not say that the average inspection slip is burdened with too many questions, but do contend that the remarks of a competent inspector is of much greater value to the daily report examiner.

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In all matters relating to the good and welfare of the insurance business, the "Real" Agent is with the company, and wants to be on the side of *right*. He knows that his client has full confidence in him and in his ability; that he is the "Company" with his client, so far as representation can make him, and he is anxious to preserve this status between his client and himself. To do this he knows it is necessary for him to be in strict accord with his company, that what he preaches must be in consonance with his company's views. He knows that he cannot go before the public with propositions at variance with the practice and policy of the company he represents, and that it would be suicidal to his interests to attempt it, but he has a right to expect that the company will not degrade him by prostituting itself to the broker and policy peddler, an unholy alliance out of which has

sprung "overhead writing," "multiple agencies," hostile legislation, unnatural strife and all the other evils that afflict our business.

The successful Local Agent must be endowed with tact and diplomacy. I know of no vocation requiring these qualifications to a greater degree. Sturdy individualism is, as a rule, one of his dominant characteristics.

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The "Real" Agent does not want to be held down. He does not wish to be classed with the "misfits" and "side liners," and treated accordingly. He wants greater scope. Not enough distinction is made between the two classes of Agents, and it is only natural that the "Real" Agent should try to pull away from the other class. His is somewhat the position of a certain cat I am reminded of: Little Johnny was pulling the cat's tail, and his father said to him, "Stop pulling that cat's tail." Johnny replied, "I'm not pulling its tail, pa, I'm only holding on to it. The cat's pulling it." The "Real" Agents may be doing the pulling, but somebody ought to let go.

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In every line of business now partially controlled by so-called "Trusts," men with experience, ability and capital have been able thus far to successfully compete, and should the Agency System ever be seriously menaced with extermination, the leading Local Agents of the country would find no difficulty in organizing gigantic companies to protect and write the business they control, but the American Agency System must, in my judgment, endure. The Local Agent is, and always will be, an indispensable factor in harvesting the crop of so-called "preferred" risks, for which all insurance companies throughout the length and breadth of this great country are every day and every hour industriously sowing seed. The countless scattered small risks which all companies seek, will always be controlled by the Local Agent, and this alone will keep him in the business and assure his permanency. This being so, it seems to me essential to mutual advantage, that there be a closer relationship and a greater "community of interest" between the Company and the Local Agent.

The observing Local Agent, who watches the signs and the tendencies of the times, knows that the number of companies doing the insurance business of the country will, in the course of time, gradually be reduced, and by the same token, the number of Local Agents will be lessened. The time will, in my opinion, have to come when only Agents of acknowledged ability and experience will be intrusted with the responsibilities attaching to the representation of the leading companies, and when only the Agent who makes the company's interests *his* interests will be sought after. The Agent who does this will have solved the problem of protecting the interests of his client also. In the weeding-out process, nature's inexorable rule must be followed, that of the "survival of the fittest." Those Agents who spell commission with a capital C and company and client with a small c will have no place in the ranks, and must fall by the wayside.

My views in this respect are based upon the belief, that in no small degree is the disastrous experience of the companies in general, during the past, what might be termed high pressure years, attributable to inexperienced representatives. The companies will in time discover this fact. The remedy will be in their hands. Meanwhile, they should not forget that "against stupidity the very gods themselves contend in vain."

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Stability in rates is another feature in which the Local Agent is vitally interested, and he will hail with delight and satisfaction the time when—if there be such a thing as scientific rating of fire risks—a schedule will be applied to all classes under which permanent and stable rates can be fixed. If the companies will make rates which can be defended and explained, they will find the Local Agents ready and willing to defend them and educate the insuring public up to them.

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The object of these Associations, "to support right principles and oppose bad practices in fire underwriting" is never lost sight of, and as long as this is their battle cry and is adhered to, they will promote only that which is best for all. Some mistakes may have been made, and some may be made in the future, but "it is through mistakes we learn wisdom." These Associations should not be looked upon as opposed to company interests. They were not formed as a protection against insurance companies, nor for the purpose of dictating their policy, but on the contrary, they were formed to work *with* the companies for their mutual good and against their common enemies. They were formed for and constitute an educating factor in our business.

Local Agents are being taught that these Associations stand for a higher ideal than that of being the means of settling minor troubles that arise in a community. They have been educated to understand that a large percentage of proposed legislative measures are, as a rule, merely a disguised effort to promote somebody's interests and that great care must therefore be exercised in their demands for legislative relief. They are being taught to see through the fog of self-interest that obscures their vision and look into the clear atmosphere beyond where lie their permanent and best interests. They are being taught to be true to themselves in order that they may be false to no one, and that insurance from the Company's Standpoint and insurance from the Local Agents' Standpoint is one and the same thing.

In conclusion, I would say that the insurance atmosphere has been and is still clearing. I hold the highest hopes for the future, and it is my opinion that we stand to-day upon the threshold of an era pregnant with greater opportunities than have been offered us during several decades. The full realization and enjoyment of these opportunities depend upon the wise judgment and honest purpose of those who would be the beneficiaries.

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As I am sure we have all had very great pleasure in listening to Mr. Wachenheimer's very able paper, and we should be glad to have some discussion on Mr. Wachenheimer's representation of the Local Agent. Would any one like to discuss this paper? I should be very glad indeed to entertain it.

(No response.)

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not compensate or make up for the difference. It also endangers the better class, for it is a known fact that the preferred business, so-called, is paying a rate sufficient not only to meet its own losses, but for much of the poorer class. Considerable of the time devoted to inspection by the average special agent is, I think, wasted. He is not wholly to blame for this, being often expected and required to do more than he can thoroughly accomplish in the time given him. Oftentimes his one object seems to be to determine if the risk is acceptable in order to secure the premium thereon, an income so much desired and insisted upon by the manager. Here let me say, I believe if the special agent would fully inform the local agent as well as the secretary of the Local Board (the latter in states where such boards exist), of the hazardous nature of certain risks and point out all the defects, you would find they would be more quickly remedied than if the special attempted to obtain the improvement himself. The Local Board, if rightly managed, has a power the average special has not in a local community. An inspection slip, in my judgment, ought not only to be a concise description of the risk, but explain fully where the danger, if any, lies, and what is necessary to make it acceptable.

Inspection slips cannot be made up from office registers and maps or from information received from others, and be of any great value. An eastern company recently received an inspection slip covering a brick building occupied for numerous purposes, the rate on which was 76 cents. Undoubtedly it was the omnibus character that called their attention to it. The exposure on the west, shown by the slip, was a brick and frame flouring mill rated at \$4.75. The company immediately requested an advance, stating to the agent that the exposures warranted it. In reply the agent informed them the rate was full tariff, furthermore, that the mill had been raised to the ground and a fine new brick building now stood in its place, the rate upon which was even less than the risk in question. It is needless to say that the inspector was asked for an explanation. This gentleman is not now connected with this company. Moral, don't follow the map too closely when filling up your slips.

It has been said, and rightly, too, that the subject of fire insurance grows more scientific and complicated every year, and that those who lead in reforms must come from among those who by strict attention to duty gain the experience, have the ability and think for themselves, rather than ape others. "Every man connected with an insurance company is valuable to that company only when his services and connection with it influence the right side of the profit and loss account."

I would not say that the average inspection slip is burdened with too many questions, but do contend that the remarks of a competent inspector is of much greater value to the daily report examiner.

A survey may be gotten up very attractively; the diagram complete; explanation carefully made. It looks fine, and is fine; nevertheless, the examiner marks in blue pencil "decline," for the inspector's report notes the undesirableness of the risk. When an inspector meets the assured, points out radical defects in his risk, and is met with the reply, "Will attend to it, but am too busy now," do you ap-

prove in order to secure the premium, or do you make this note upon the slip, "Will re-inspect." It is absolutely necessary to make an inspection of the company's business if a profit is expected, even though not assured. This has been fully demonstrated by the many reckless underwriters, whose names are on the retired list or ought to be. How these inspections shall be done, whether by competent or cheap men, is a matter of opinion only. I am satisfied, however, that the company making careful and systematic inspections will surely obtain better results than if not so done. By systematic I mean that it should be done by competent, and not by cheap, unreliable and inexperienced men. It is necessary to employ competent, faithful and willing inspectors, who will and do make careful examination of every risk on the books of the agency, for a good special agent is worth everything to a company. A poor one, money and time wasted. It is folly to send a man to inspect a factory who does not know a sanding machine from an emery wheel or friction clutch. I have found it not a bad idea for an inspector, if he is not familiar as to a certain class, to read up before making the inspection. Fire walls and doors, shutters, trap doors, elevator shafts, shafting in concealed places, under floors and extended through walls, and electric wiring must be examined. It is easy to see if a double-headed or staple tack is used to fasten the wire and that in driving it the insulation has been removed. Storage of oils, calcium carbide and gasoline in large quantities looked after, and last but not least dirty basements and cumbersome attics. A number of fires have originated from sparks from arc lamps, the carbon falling from same through broken globes. The incandescent lamp also causes many fires, being so handy and useful for decorative purposes in windows. We may not determine the volt resistance of a wire, a short circuit or the safety of a switch, but we can ascertain if lamps are safely installed and protected. We may not be a Jardine, Merrill, a Benallack or a Simonson; but we can give the risk an intelligent examination and determine quite accurately if safe and desirable, and judge quite as well as the expert whether the spelling of assured's name, position of his hands or the shape of his nose would indicate a specially hazardous risk. Time was when a special survey with diagram was required of the agent. Then, only the special hazard was deemed worthy of the inspector's attention. Now, we find it quite as necessary to inspect everything on the books of an agency, and much that is not, for, even though the risk itself is all right, some one occupying this or the adjoining building is not. I contend it is a part of a special's duty to determine the line a company should write in a given locality, even though his recommendation is not always approved by the manager. Ofttimes an inspection discloses a double line on and in a building shown on our maps as having double fire or party walls, whereas none exist. A policy covering a brick building is found to cover only a frame building veneered with brick. These and numerous defects are discovered by the energetic special. The time is not far distant, I think, when much of the work will be done by a bureau or an association conducted for this purpose only and amply equipped to not only make systematic inspections, but duplicate the reports and send out to sub-

scribers. The expense can be largely reduced and surveys obtained. This is now being satisfactorily done in the East on risks where the insurance written is \$40,000 and up. The surveys and reports are very complete and artistic, and furnished to subscribers at slight cost. A daily report is many times held on the examiner's desk, or recalled if passed upon, in order to secure an inspection report as well as assured's commercial and fire rating before making final disposition. It, therefore, becomes a potent factor of the business of inspection that the work be done promptly and well. Careful, thorough and systematic inspection, with co-operation of the assured, has as much to do with low rates of the New England Mutuals as the sprinkler equipment. No company cancels a risk it can consistently carry. It follows, therefore, that none should be declined without sufficient and good reason. I would not order a risk dropped at expiration. If your inspection shows it to be a poor one, cancel at once, and do it then and there. If you are unable to secure the policy, serve assured with the five day's notice of cancellation, even if you are obliged to remain over night to do so. Notwithstanding a company is a private concern conducted for the profit of the stockholders, the relations between the assured and insurer are mutual, and if it could only be understood that companies are only distributing agents of the many to the few who suffer loss, that we were insuring one another (for the premium is only a tax collected for the benefit of all), there would be less need of inspections, for the assured, realizing that by making his risk less hazardous would be benefited by a decrease in premium, reducing the tax per capita and stimulating assured to make improvements he otherwise would not. Insurance companies and managers are in the business for what money there is in it, and not for pleasure only. In transacting the business from day to day, they scrutinize each risk and endeavor to determine if it is safe physically as well as from a moral standpoint.

There is an expression familiar to many of you, which to me seems applicable to the work in hand—"Hang on to the rope." Don't get discouraged; each day brings its various duties and work, but if accomplished to your satisfaction it will have the approval of the management. We only belong to the rank and file of the volunteers, but if we give ourselves the same careful inspection we should the business, we can safely abide by the result. Let us take for our motto, "I dare do all that may become a man. Who dares do more is none."

If this paper should be the means of producing a single thought that will aid us in securing better results, or good, however small, come from it, I shall have been well repaid, even though you may disagree with much that I have said.

In conclusion, I thank you for the courtesy and honor of your invitation to address you on this occasion, and hope and trust my conduct, though at times it may have appeared aggressive, has been such as to command your respect and kind remembrance.

The President—

We would be very glad indeed to have some discussion on Mr. Cornell's paper. This subject is a very important one and we would

be very glad to listen to any one on inspections or on the subject of Mr. Cornell's paper.

(No response.)

The Local Agent should be given an opportunity to state his side of the case, so I have taken the liberty to invite a worker among the Local Agents, in the person of Mr. Jacob Wachenheimer, of Peoria, Illinois, who will talk to us on the question of Fire Insurance from "The Local Agent's Standpoint."

THE LOCAL AGENTS' STANDPOINT.

Mr. Jacob Wachenheimer—

MR. PRESIDENT AND GENTLEMEN OF THE FIRE UNDERWRITERS' ASSOCIATION OF THE NORTHWEST:

"The man who looks wise and says nothing often impresses others, until he speaks, and then they know he is a fool."

I must confess that this old saying was vividly brought to my mind when accepting the invitation to read a paper before this Association. I hesitated taking the risk of destroying what little impression I might have succeeded in making on some of you, also because I felt that it would be a very difficult task to say anything new upon a subject which has been worn so threadbare. However, I finally concluded to accept with the "all risks" clause (as they say in marine insurance), and if I should advance any heresies, or say anything out of place, would remind you, that even that bird of wisdom—the owl—has been known to hoot at the wrong time.

In treating upon the subject of insurance, from the Local Agents' Standpoint, I find it impossible, under the conditions imposed, to cover the general field of insurance, its benefits and necessity in the world of commerce, the method of conducting it and its ethics. I have confined myself largely to that branch of the subject most vital to the class I represent, namely: the Local Agent; his future and his relationship to client and company, and the American Agency System, which is what brought him into being insurancewise.

What is a Local Agent? No doubt many of the field men present entertain private opinions of what some of *their* Agents are, but I must be understood as referring to and dealing with the legitimate, "Real" Agent only, and I hardly think it necessary to give you a definition of what constitutes a "Real" Local Agent. Among the large crop of Local Agents, they only are the ones who come up to grade.

In no business that I know of are the interests of the principal, instead of being represented, so often grossly misrepresented, as in the insurance business. This I attribute to the fact that the "Real," intelligent Local Agent is in the minority. As to who is responsible for this state of affairs, I leave it to those who have the appointing power to judge.

The "Real" Local Agents are the preservers of the honor and good name of the insurance companies. After the policy of the company he represents has been dictated to him, the "Real" Local Agent expects to, and should, represent the interests of his company in every respect, but the company's full confidence in him is essential. This will make him feel his responsibilities and make of him a true Agent.

In every community where insurance Agents are numerous, it will be found that, as a rule, among the "Real" Agents there is harmony and good feeling. The "Real" Agent expects and enjoys legitimate competition. It is the life of *his* trade, as well as of other trades. In this connection I am reminded of the little boy who asked his mother for an apple, and when she gave him one, instead of eating it, he put it in his pocket. His mother said to him, "Johnny, inasmuch as you wanted an apple so badly, why don't you eat it?" "Oh!" said Johnny, "I want to wait until I get out among the boys. Apples always taste better when some one watches you eat them." So it is with the Local Agent. The capturing of a "big line" would be robbed of half the satisfaction and pleasure if there were no other Agents watching him get it.

The "Real" Agent who makes insurance his profession studies the subject from every standpoint. He keeps in touch with every phase and change influencing it, and one of the first things he learns, is that his interests are practically identical with those of the companies he represents, providing the companies are fairly and honestly managed. He knows that the standing, integrity and ability of his companies to carry out their contracts are of vital importance to him, and this being so, he is concerned about all matters of rate, practice and results, as affecting the interests of his companies.

He is deeply concerned about the enormous fire waste in this country, and he directs his best efforts in his community to educate insurers along the line of fire prevention, but unfortunately his good work is often spoiled by the so-called "Fool Agents" who out-number and out-vote him.

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I would not say that the average inspection slip is burdened with too many questions, but do contend that the remarks of a competent inspector is of much greater value to the daily report examiner.

A survey may be gotten up very attractively; the diagram complete; explanation carefully made. It looks fine, and is fine; nevertheless, the examiner marks in blue pencil "decline," for the inspector's report notes the undesirableness of the risk. When an inspector meets the assured, points out radical defects in his risk, and is met with the reply, "Will attend to it, but am too busy now," do you ap-

prove in order to secure the premium, or do you make this note upon the slip, "Will re-inspect." It is absolutely necessary to make an inspection of the company's business if a profit is expected, even though not assured. This has been fully demonstrated by the many reckless underwriters, whose names are on the retired list or ought to be. How these inspections shall be done, whether by competent or cheap men, is a matter of opinion only. I am satisfied, however, that the company making careful and systematic inspections will surely obtain better results than if not so done. By systematic I mean that it should be done by competent, and not by cheap, unreliable and inexperienced men. It is necessary to employ competent, faithful and willing inspectors, who will and do make careful examination of every risk on the books of the agency, for a good special agent is worth everything to a company. A poor one, money and time wasted. It is folly to send a man to inspect a factory who does not know a sanding machine from an emery wheel or friction clutch. I have found it not a bad idea for an inspector, if he is not familiar as to a certain class, to read up before making the inspection. Fire walls and doors, shutters, trap doors, elevator shafts, shafting in concealed places, under floors and extended through walls, and electric wiring must be examined. It is easy to see if a double-headed or staple tack is used to fasten the wire and that in driving it the insulation has been removed. Storage of oils, calcium carbide and gasoline in large quantities looked after, and last but not least dirty basements and cumbersome attics. A number of fires have originated from sparks from arc lamps, the carbon falling from same through broken globes. The incandescent lamp also causes many fires, being so handy and useful for decorative purposes in windows. We may not determine the volt resistance of a wire, a short circuit or the safety of a switch, but we can ascertain if lamps are safely installed and protected. We may not be a Jardine, Merrill, a Benallack or a Simonson; but we can give the risk an intelligent examination and determine quite accurately if safe and desirable, and judge quite as well as the expert whether the spelling of assured's name, position of his hands or the shape of his nose would indicate a specially hazardous risk. Time was when a special survey with diagram was required of the agent. Then, only the special hazard was deemed worthy of the inspector's attention. Now, we find it quite as necessary to inspect everything on the books of an agency, and much that is not, for, even though the risk itself is all right, some one occupying this or the adjoining building is not. I contend it is a part of a special's duty to determine the line a company should write in a given locality, even though his recommendation is not always approved by the manager. Ofttimes an inspection discloses a double line on and in a building shown on our maps as having double fire or party walls, whereas none exist. A policy covering a brick building is found to cover only a frame building veneered with brick. These and numerous defects are discovered by the energetic special. The time is not far distant, I think, when much of the work will be done by a bureau or an association conducted for this purpose only and amply equipped to not only make systematic inspections, but duplicate the reports and send out to sub-

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There is an expression familiar to many of you, which to me seems applicable to the work in hand—"Hang on to the rope." Don't get discouraged; each day brings its various duties and work, but if accomplished to your satisfaction it will have the approval of the management. We only belong to the rank and file of the volunteers, but if we give ourselves the same careful inspection we should the business, we can safely abide by the result. Let us take for our motto, "I dare do all that may become a man. Who dares do more is none."

If this paper should be the means of producing a single thought that will aid us in securing better results, or good, however small, come from it, I shall have been well repaid, even though you may disagree with much that I have said.

In conclusion, I thank you for the courtesy and honor of your invitation to address you on this occasion, and hope and trust my conduct, though at times it may have appeared aggressive, has been such as to command your respect and kind remembrance.

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The Local Agent should be given an opportunity to state his side of the case, so I have taken the liberty to invite a worker among the Local Agents, in the person of Mr. Jacob Wachenheimer, of Peoria, Illinois, who will talk to us on the question of Fire Insurance from "The Local Agent's Standpoint."

THE LOCAL AGENTS' STANDPOINT.

Mr. Jacob Wachenheimer—

MR. PRESIDENT AND GENTLEMEN OF THE FIRE UNDERWRITERS' ASSOCIATION OF THE NORTHWEST:

"The man who looks wise and says nothing often impresses others, until he speaks, and then they know he is a fool."

I must confess that this old saying was vividly brought to my mind when accepting the invitation to read a paper before this Association. I hesitated taking the risk of destroying what little impression I might have succeeded in making on some of you, also because I felt that it would be a very difficult task to say anything new upon a subject which has been worn so threadbare. However, I finally concluded to accept with the "all risks" clause (as they say in marine insurance), and if I should advance any heresies, or say anything out of place, would remind you, that even that bird of wisdom—the owl—has been known to hoot at the wrong time.

In treating upon the subject of insurance, from the Local Agents' Standpoint, I find it impossible, under the conditions imposed, to cover the general field of insurance, its benefits and necessity in the world of commerce, the method of conducting it and its ethics. I have confined myself largely to that branch of the subject most vital to the class I represent, namely: the Local Agent; his future and his relationship to client and company, and the American Agency System, which is what brought him into being insurancewise.

What is a Local Agent? No doubt many of the field men present entertain private opinions of what some of *their* Agents are, but I must be understood as referring to and dealing with the legitimate, "Real" Agent only, and I hardly think it necessary to give you a definition of what constitutes a "Real" Local Agent. Among the large crop of Local Agents, they only are the ones who come up to grade.

In no business that I know of are the interests of the principal, instead of being represented, so often grossly misrepresented, as in the insurance business. This I attribute to the fact that the "Real," intelligent Local Agent is in the minority. As to who is responsible for this state of affairs, I leave it to those who have the appointing power to judge.

The "Real" Local Agents are the preservers of the honor and good name of the insurance companies. After the policy of the company he represents has been dictated to him, the "Real" Local Agent expects to, and should, represent the interests of his company in every respect, but the company's full confidence in him is essential. This will make him feel his responsibilities and make of him a true Agent.

In every community where insurance Agents are numerous, it will be found that, as a rule, among the "Real" Agents there is harmony and good feeling. The "Real" Agent expects and enjoys legitimate competition. It is the life of *his* trade, as well as of other trades. In this connection I am reminded of the little boy who asked his mother for an apple, and when she gave him one, instead of eating it, he put it in his pocket. His mother said to him, "Johnny, inasmuch as you wanted an apple so badly, why don't you eat it?" "Oh!" said Johnny, "I want to wait until I get out among the boys. Apples always taste better when some one watches you eat them." So it is with the Local Agent. The capturing of a "big line" would be robbed of half the satisfaction and pleasure if there were no other Agents watching him get it.

The "Real" Agent who makes insurance his profession studies the subject from every standpoint. He keeps in touch with every phase and change influencing it, and one of the first things he learns, is that his interests are practically identical with those of the companies he represents, providing the companies are fairly and honestly managed. He knows that the standing, integrity and ability of his companies to carry out their contracts are of vital importance to him, and this being so, he is concerned about all matters of rate, practice and results, as affecting the interests of his companies.

He is deeply concerned about the enormous fire waste in this country, and he directs his best efforts in his community to educate insurers along the line of fire prevention, but unfortunately his good work is often spoiled by the so-called "Fool Agents" who out-number and out-vote him.

Personally, I feel that a continuance of the great fires and consequent abnormal loss ratio is calculated to make the average officer and manager, like the late Colonel Ingersoll, doubt the existence of such a place as Hades, for the reason that it will be hard for them to believe that there can be two places so nearly alike.

In all matters relating to the good and welfare of the insurance business, the "Real" Agent is with the company, and wants to be on the side of *right*. He knows that his client has full confidence in him and in his ability; that he is the "Company" with his client, so far as representation can make him, and he is anxious to preserve this status between his client and himself. To do this he knows it is necessary for him to be in strict accord with his company, that what he preaches must be in consonance with his company's views. He knows that he cannot go before the public with propositions at variance with the practice and policy of the company he represents, and that it would be suicidal to his interests to attempt it, but he has a right to expect that the company will not degrade him by prostituting itself to the broker and policy peddler, an unholy alliance out of which has

sprung "overhead writing," "multiple agencies," hostile legislation, unnatural strife and all the other evils that afflict our business.

The successful Local Agent must be endowed with tact and diplomacy. I know of no vocation requiring these qualifications to a greater degree. Sturdy individualism is, as a rule, one of his dominant characteristics.

The "Real" Agent dares to hope that the future holds in store for him a basis of compensation different from that now in vogue. The learned Henry Ward Beecher many years ago said: "The law of price is the skill, and the amount of skill expended in the work is as much for the market as are the goods." I believe this to be true of the Local Agents' services, and that the time *must* come when the skillful, experienced underwriter agent will, by some as yet undevised system of remuneration, be given the opportunity to earn and enjoy a profit commensurate with his abilities, at least to a greater degree than the unskilled agent. I may be nursing utopian ideas in this respect, or perchance be pursuing a phantom of hope, but as "hope springs eternal in the human breast," some views, however fanciful, may scatter grains of comfort.

The "Real" Agent does not want to be held down. He does not wish to be classed with the "misfits" and "side liners," and treated accordingly. He wants greater scope. Not enough distinction is made between the two classes of Agents, and it is only natural that the "Real" Agent should try to pull away from the other class. His is somewhat the position of a certain cat I am reminded of: Little Johnny was pulling the cat's tail, and his father said to him, "Stop pulling that cat's tail." Johnny replied, "I'm not pulling its tail, pa, I'm only holding on to it. The cat's pulling it." The "Real" Agents may be doing the pulling, but somebody ought to let go.

We hear a great deal nowadays about "Insurance Trusts," for which those engaged in the business know there is no foundation. It has even been hinted at in some quarters, that an Insurance Trust would be formed sooner or later, one of the objects of which would be the abolition of Local Agents. I am not a believer in such a sophistry, and cannot think this step will ever be seriously considered.

In every line of business now partially controlled by so-called "Trusts," men with experience, ability and capital have been able thus far to successfully compete, and should the Agency System ever be seriously menaced with extermination, the leading Local Agents of the country would find no difficulty in organizing gigantic companies to protect and write the business they control, but the American Agency System must, in my judgment, endure. The Local Agent is, and always will be, an indispensable factor in harvesting the crop of so-called "preferred" risks, for which all insurance companies throughout the length and breadth of this great country are every day and every hour industriously sowing seed. The countless scattered small risks which all companies seek, will always be controlled by the Local Agent, and this alone will keep him in the business and assure his permanency. This being so, it seems to me essential to mutual advantage, that there be a closer relationship and a greater "community of interest" between the Company and the Local Agent.

The observing Local Agent, who watches the signs and the tendencies of the times, knows that the number of companies doing the insurance business of the country will, in the course of time, gradually be reduced, and by the same token, the number of Local Agents will be lessened. The time will, in my opinion, have to come when only Agents of acknowledged ability and experience will be intrusted with the responsibilities attaching to the representation of the leading companies, and when only the Agent who makes the company's interests *his* interests will be sought after. The Agent who does this will have solved the problem of protecting the interests of his client also. In the weeding-out process, nature's inexorable rule must be followed, that of the "survival of the fittest." Those Agents who spell commission with a capital C and company and client with a small c will have no place in the ranks, and must fall by the wayside.

My views in this respect are based upon the belief, that in no small degree is the disastrous experience of the companies in general, during the past, what might be termed high pressure years, attributable to inexperienced representatives. The companies will in time discover this fact. The remedy will be in their hands. Meanwhile, they should not forget that "against stupidity the very gods themselves contend in vain."

The experienced Local Agent is the natural educator of the public, insurancewise. He is the friend and counselor of his client, with whom he has, as a rule, the closest relations. It is he who educates the insured to understand that the matter of sound indemnity is of more importance to him than the rate he pays for it.

Stability in rates is another feature in which the Local Agent is vitally interested, and he will hail with delight and satisfaction the time when—if there be such a thing as scientific rating of fire risks—a schedule will be applied to all classes under which permanent and stable rates can be fixed. If the companies will make rates which can be defended and explained, they will find the Local Agents ready and willing to defend them and educate the insuring public up to them.

It will, no doubt, be expected that I say something upon the subject of Agents' Associations, which in some quarters have caused so much concern, and perhaps some criticism. These Associations—the National and Auxiliary State Associations—are still in the growing and experimental state, but it must be admitted that they have already done much good, and that they can be utilized in many ways that will be beneficial to insurance interests in general.

The object of these Associations, "to support right principles and oppose bad practices in fire underwriting" is never lost sight of, and as long as this is their battle cry and is adhered to, they will promote only that which is best for all. Some mistakes may have been made, and some may be made in the future, but "it is through mistakes we learn wisdom." These Associations should not be looked upon as opposed to company interests. They were not formed as a protection against insurance companies, nor for the purpose of dictating their policy, but on the contrary, they were formed to work *with* the companies for their mutual good and against their common enemies. They were formed for and constitute an educating factor in our business.

Local Agents are being taught that these Associations stand for a higher ideal than that of being the means of settling minor troubles that arise in a community. They have been educated to understand that a large percentage of proposed legislative measures are, as a rule, merely a disguised effort to promote somebody's interests and that great care must therefore be exercised in their demands for legislative relief. They are being taught to see through the fog of self-interest that obscures their vision and look into the clear atmosphere beyond where lie their permanent and best interests. They are being taught to be true to themselves in order that they may be false to no one, and that insurance from the Company's Standpoint and insurance from the Local Agents' Standpoint is one and the same thing.

In conclusion, I would say that the insurance atmosphere has been and is still clearing. I hold the highest hopes for the future, and it is my opinion that we stand to-day upon the threshold of an era pregnant with greater opportunities than have been offered us during several decades. The full realization and enjoyment of these opportunities depend upon the wise judgment and honest purpose of those who would be the beneficiaries.

Time will, in my judgment, work out a solution of the vexatious problems now engrossing the minds of the scientists in the world of insurance. When that time comes some of us may have to change our views. Some will have to suffer defeat but, after all, "They are victors who have been vanquished by the right."

The President—

As I am sure we have all had very great pleasure in listening to Mr. Wachenheimer's very able paper, and we should be glad to have some discussion on Mr. Wachenheimer's representation of the Local Agent. Would any one like to discuss this paper? I should be very glad indeed to entertain it.

(No response.)

The subject of Fire Rating is probably the most vital one that confronts us to-day. Quite a number of those with whom we come in contact hold various opinions on this subject, and some claim that there is no such a thing as Scientific Fire Rating. I know one gentleman in the fire insurance business who has done his work so well that he will be able to tell us what he knows, and I have requested him to give us a paper on "Scientific Fire Rating from an Actuary's Standpoint." Gentlemen, I have great pleasure in introducing Mr. Miles Menander Dawson, of New York City.

not compensate or make up for the difference. It also endangers the better class, for it is a known fact that the preferred business, so-called, is paying a rate sufficient not only to meet its own losses, but for much of the poorer class. Considerable of the time devoted to inspection by the average special agent is, I think, wasted. He is not wholly to blame for this, being often expected and required to do more than he can thoroughly accomplish in the time given him. Oftentimes his one object seems to be to determine if the risk is acceptable in order to secure the premium thereon, an income so much desired and insisted upon by the manager. Here let me say, I believe if the special agent would fully inform the local agent as well as the secretary of the Local Board (the latter in states where such boards exist), of the hazardous nature of certain risks and point out all the defects, you would find they would be more quickly remedied than if the special attempted to obtain the improvement himself. The Local Board, if rightly managed, has a power the average special has not in a local community. An inspection slip, in my judgment, ought not only to be a concise description of the risk, but explain fully where the danger, if any, lies, and what is necessary to make it acceptable.

Inspection slips cannot be made up from office registers and maps or from information received from others, and be of any great value. An eastern company recently received an inspection slip covering a brick building occupied for numerous purposes, the rate on which was 76 cents. Undoubtedly it was the omnibus character that called their attention to it. The exposure on the west, shown by the slip, was a brick and frame flouring mill rated at \$4.75. The company immediately requested an advance, stating to the agent that the exposures warranted it. In reply the agent informed them the rate was full tariff, furthermore, that the mill had been raised to the ground and a fine new brick building now stood in its place, the rate upon which was even less than the risk in question. It is needless to say that the inspector was asked for an explanation. This gentleman is not now connected with this company. Moral, don't follow the map too closely when filling up your slips.

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He is deeply concerned about the enormous fire waste in this country, and he directs his best efforts in his community to educate insurers along the line of fire prevention, but unfortunately his good work is often spoiled by the so-called "Fool Agents" who out-number and out-vote him.

Personally, I feel that a continuance of the great fires and consequent abnormal loss ratio is calculated to make the average officer and manager, like the late Colonel Ingersoll, doubt the existence of such a place as Hades, for the reason that it will be hard for them to believe that there can be two places so nearly alike.

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sprung "overhead writing," "multiple agencies," hostile legislation, unnatural strife and all the other evils that afflict our business.

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In every line of business now partially controlled by so-called "Trusts," men with experience, ability and capital have been able thus far to successfully compete, and should the Agency System ever be seriously menaced with extermination, the leading Local Agents of the country would find no difficulty in organizing gigantic companies to protect and write the business they control, but the American Agency System must, in my judgment, endure. The Local Agent is, and always will be, an indispensable factor in harvesting the crop of so-called "preferred" risks, for which all insurance companies throughout the length and breadth of this great country are every day and every hour industriously sowing seed. The countless scattered small risks which all companies seek, will always be controlled by the Local Agent, and this alone will keep him in the business and assure his permanency. This being so, it seems to me essential to mutual advantage, that there be a closer relationship and a greater "community of interest" between the Company and the Local Agent.

The observing Local Agent, who watches the signs and the tendencies of the times, knows that the number of companies doing the insurance business of the country will, in the course of time, gradually be reduced, and by the same token, the number of Local Agents will be lessened. The time will, in my opinion, have to come when only Agents of acknowledged ability and experience will be intrusted with the responsibilities attaching to the representation of the leading companies, and when only the Agent who makes the company's interests *his* interests will be sought after. The Agent who does this will have solved the problem of protecting the interests of his client also. In the weeding-out process, nature's inexorable rule must be followed, that of the "survival of the fittest." Those Agents who spell commission with a capital C and company and client with a small c will have no place in the ranks, and must fall by the wayside.

My views in this respect are based upon the belief, that in no small degree is the disastrous experience of the companies in general, during the past, what might be termed high pressure years, attributable to inexperienced representatives. The companies will in time discover this fact. The remedy will be in their hands. Meanwhile, they should not forget that "against stupidity the very gods themselves contend in vain."

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The object of these Associations, "to support right principles and oppose bad practices in fire underwriting" is never lost sight of, and as long as this is their battle cry and is adhered to, they will promote only that which is best for all. Some mistakes may have been made, and some may be made in the future, but "it is through mistakes we learn wisdom." These Associations should not be looked upon as opposed to company interests. They were not formed as a protection against insurance companies, nor for the purpose of dictating their policy, but on the contrary, they were formed to work *with* the companies for their mutual good and against their common enemies. They were formed for and constitute an educating factor in our business.

Local Agents are being taught that these Associations stand for a higher ideal than that of being the means of settling minor troubles that arise in a community. They have been educated to understand that a large percentage of proposed legislative measures are, as a rule, merely a disguised effort to promote somebody's interests and that great care must therefore be exercised in their demands for legislative relief. They are being taught to see through the fog of self-interest that obscures their vision and look into the clear atmosphere beyond where lie their permanent and best interests. They are being taught to be true to themselves in order that they may be false to no one, and that insurance from the Company's Standpoint and insurance from the Local Agents' Standpoint is one and the same thing.

In conclusion, I would say that the insurance atmosphere has been and is still clearing. I hold the highest hopes for the future, and it is my opinion that we stand to-day upon the threshold of an era pregnant with greater opportunities than have been offered us during several decades. The full realization and enjoyment of these opportunities depend upon the wise judgment and honest purpose of those who would be the beneficiaries.

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As I am sure we have all had very great pleasure in listening to Mr. Wachenheimer's very able paper, and we should be glad to have some discussion on Mr. Wachenheimer's representation of the Local Agent. Would any one like to discuss this paper? I should be very glad indeed to entertain it.

(No response.)

The subject of Fire Rating is probably the most vital one that confronts us to-day. Quite a number of those with whom we come in contact hold various opinions on this subject, and some claim that there is no such a thing as Scientific Fire Rating. I know one gentleman in the fire insurance business who has done his work so well that he will be able to tell us what he knows, and I have requested him to give us a paper on "Scientific Fire Rating from an Actuary's Standpoint." Gentlemen, I have great pleasure in introducing Mr. Miles Menander Dawson, of New York City.

not compensate or make up for the difference. It also endangers the better class, for it is a known fact that the preferred business, so-called, is paying a rate sufficient not only to meet its own losses, but for much of the poorer class. Considerable of the time devoted to inspection by the average special agent is, I think, wasted. He is not wholly to blame for this, being often expected and required to do more than he can thoroughly accomplish in the time given him. Oftentimes his one object seems to be to determine if the risk is acceptable in order to secure the premium thereon, an income so much desired and insisted upon by the manager. Here let me say, I believe if the special agent would fully inform the local agent as well as the secretary of the Local Board (the latter in states where such boards exist), of the hazardous nature of certain risks and point out all the defects, you would find they would be more quickly remedied than if the special attempted to obtain the improvement himself. The Local Board, if rightly managed, has a power the average special has not in a local community. An inspection slip, in my judgment, ought not only to be a concise description of the risk, but explain fully where the danger, if any, lies, and what is necessary to make it acceptable.

Inspection slips cannot be made up from office registers and maps or from information received from others, and be of any great value. An eastern company recently received an inspection slip covering a brick building occupied for numerous purposes, the rate on which was 76 cents. Undoubtedly it was the omnibus character that called their attention to it. The exposure on the west, shown by the slip, was a brick and frame flouring mill rated at \$4.75. The company immediately requested an advance, stating to the agent that the exposures warranted it. In reply the agent informed them the rate was full tariff, furthermore, that the mill had been raised to the ground and a fine new brick building now stood in its place, the rate upon which was even less than the risk in question. It is needless to say that the inspector was asked for an explanation. This gentleman is not now connected with this company. Moral, don't follow the map too closely when filling up your slips.

It has been said, and rightly, too, that the subject of fire insurance grows more scientific and complicated every year, and that those who lead in reforms must come from among those who by strict attention to duty gain the experience, have the ability and think for themselves, rather than ape others. "Every man connected with an insurance company is valuable to that company only when his services and connection with it influence the right side of the profit and loss account."

I would not say that the average inspection slip is burdened with too many questions, but do contend that the remarks of a competent inspector is of much greater value to the daily report examiner.

A survey may be gotten up very attractively; the diagram complete; explanation carefully made. It looks fine, and is fine; nevertheless, the examiner marks in blue pencil "decline," for the inspector's report notes the undesirableness of the risk. When an inspector meets the assured, points out radical defects in his risk, and is met with the reply, "Will attend to it, but am too busy now," do you ap-

prove in order to secure the premium, or do you make this note upon the slip, "Will re-inspect." It is absolutely necessary to make an inspection of the company's business if a profit is expected, even though not assured. This has been fully demonstrated by the many reckless underwriters, whose names are on the retired list or ought to be. How these inspections shall be done, whether by competent or cheap men, is a matter of opinion only. I am satisfied, however, that the company making careful and systematic inspections will surely obtain better results than if not so done. By systematic I mean that it should be done by competent, and not by cheap, unreliable and inexperienced men. It is necessary to employ competent, faithful and willing inspectors, who will and do make careful examination of every risk on the books of the agency, for a good special agent is worth everything to a company. A poor one, money and time wasted. It is folly to send a man to inspect a factory who does not know a sanding machine from an emery wheel or friction clutch. I have found it not a bad idea for an inspector, if he is not familiar as to a certain class, to read up before making the inspection. Fire walls and doors, shutters, trap doors, elevator shafts, shafting in concealed places, under floors and extended through walls, and electric wiring must be examined. It is easy to see if a double-headed or staple tack is used to fasten the wire and that in driving it the insulation has been removed. Storage of oils, calcium carbide and gasoline in large quantities looked after, and last but not least dirty basements and cumbersome attics. A number of fires have originated from sparks from arc lamps, the carbon falling from same through broken globes. The incandescent lamp also causes many fires, being so handy and useful for decorative purposes in windows. We may not determine the volt resistance of a wire, a short circuit or the safety of a switch, but we can ascertain if lamps are safely installed and protected. We may not be a Jardine, Merrill, a Benallack or a Simonson; but we can give the risk an intelligent examination and determine quite accurately if safe and desirable, and judge quite as well as the expert whether the spelling of assured's name, position of his hands or the shape of his nose would indicate a specially hazardous risk. Time was when a special survey with diagram was required of the agent. Then, only the special hazard was deemed worthy of the inspector's attention. Now, we find it quite as necessary to inspect everything on the books of an agency, and much that is not, for, even though the risk itself is all right, some one occupying this or the adjoining building is not. I contend it is a part of a special's duty to determine the line a company should write in a given locality, even though his recommendation is not always approved by the manager. Ofttimes an inspection discloses a double line on and in a building shown on our maps as having double fire or party walls, whereas none exist. A policy covering a brick building is found to cover only a frame building veneered with brick. These and numerous defects are discovered by the energetic special. The time is not far distant, I think, when much of the work will be done by a bureau or an association conducted for this purpose only and amply equipped to not only make systematic inspections, but duplicate the reports and send out to sub-

scribers. The expense can be largely reduced and surveys obtained. This is now being satisfactorily done in the East on risks where the insurance written is \$40,000 and up. The surveys and reports are very complete and artistic, and furnished to subscribers at slight cost. A daily report is many times held on the examiner's desk, or recalled if passed upon, in order to secure an inspection report as well as assured's commercial and fire rating before making final disposition. It, therefore, becomes a potent factor of the business of inspection that the work be done promptly and well. Careful, thorough and systematic inspection, with co-operation of the assured, has as much to do with low rates of the New England Mutuals as the sprinkler equipment. No company cancels a risk it can consistently carry. It follows, therefore, that none should be declined without sufficient and good reason. I would not order a risk dropped at expiration. If your inspection shows it to be a poor one, cancel at once, and do it then and there. If you are unable to secure the policy, serve assured with the five day's notice of cancellation, even if you are obliged to remain over night to do so. Notwithstanding a company is a private concern conducted for the profit of the stockholders, the relations between the assured and insurer are mutual, and if it could only be understood that companies are only distributing agents of the many to the few who suffer loss, that we were insuring one another (for the premium is only a tax collected for the benefit of all), there would be less need of inspections, for the assured, realizing that by making his risk less hazardous would be benefited by a decrease in premium, reducing the tax per capita and stimulating assured to make improvements he otherwise would not. Insurance companies and managers are in the business for what money there is in it, and not for pleasure only. In transacting the business from day to day, they scrutinize each risk and endeavor to determine if it is safe physically as well as from a moral standpoint.

There is an expression familiar to many of you, which to me seems applicable to the work in hand—"Hang on to the rope." Don't get discouraged; each day brings its various duties and work, but if accomplished to your satisfaction it will have the approval of the management. We only belong to the rank and file of the volunteers, but if we give ourselves the same careful inspection we should the business, we can safely abide by the result. Let us take for our motto, "I dare do all that may become a man. Who dares do more is none."

If this paper should be the means of producing a single thought that will aid us in securing better results, or good, however small, come from it, I shall have been well repaid, even though you may disagree with much that I have said.

In conclusion, I thank you for the courtesy and honor of your invitation to address you on this occasion, and hope and trust my conduct, though at times it may have appeared aggressive, has been such as to command your respect and kind remembrance.

The President—

We would be very glad indeed to have some discussion on Mr. Cornell's paper. This subject is a very important one and we would

be very glad to listen to any one on inspections or on the subject of Mr. Cornell's paper.

(No response.)

The Local Agent should be given an opportunity to state his side of the case, so I have taken the liberty to invite a worker among the Local Agents, in the person of Mr. Jacob Wachenheimer, of Peoria, Illinois, who will talk to us on the question of Fire Insurance from "The Local Agent's Standpoint."

THE LOCAL AGENTS' STANDPOINT.

Mr. Jacob Wachenheimer—

MR. PRESIDENT AND GENTLEMEN OF THE FIRE UNDERWRITERS' ASSOCIATION OF THE NORTHWEST:

"The man who looks wise and says nothing often impresses others, until he speaks, and then they know he is a fool."

I must confess that this old saying was vividly brought to my mind when accepting the invitation to read a paper before this Association. I hesitated taking the risk of destroying what little impression I might have succeeded in making on some of you, also because I felt that it would be a very difficult task to say anything new upon a subject which has been worn so threadbare. However, I finally concluded to accept with the "all risks" clause (as they say in marine insurance), and if I should advance any heresies, or say anything out of place, would remind you, that even that bird of wisdom—the owl—has been known to hoot at the wrong time.

In treating upon the subject of insurance, from the Local Agents' Standpoint, I find it impossible, under the conditions imposed, to cover the general field of insurance, its benefits and necessity in the world of commerce, the method of conducting it and its ethics. I have confined myself largely to that branch of the subject most vital to the class I represent, namely: the Local Agent; his future and his relationship to client and company, and the American Agency System, which is what brought him into being insurancewise.

What is a Local Agent? No doubt many of the field men present entertain private opinions of what some of *their* Agents are, but I must be understood as referring to and dealing with the legitimate, "Real" Agent only, and I hardly think it necessary to give you a definition of what constitutes a "Real" Local Agent. Among the large crop of Local Agents, they only are the ones who come up to grade.

In no business that I know of are the interests of the principal, instead of being represented, so often grossly misrepresented, as in the insurance business. This I attribute to the fact that the "Real," intelligent Local Agent is in the minority. As to who is responsible for this state of affairs, I leave it to those who have the appointing power to judge.

The "Real" Local Agents are the preservers of the honor and good name of the insurance companies. After the policy of the company he represents has been dictated to him, the "Real" Local Agent expects to, and should, represent the interests of his company in every respect, but the company's full confidence in him is essential. This will make him feel his responsibilities and make of him a true Agent.

In every community where insurance Agents are numerous, it will be found that, as a rule, among the "Real" Agents there is harmony and good feeling. The "Real" Agent expects and enjoys legitimate competition. It is the life of *his* trade, as well as of other trades. In this connection I am reminded of the little boy who asked his mother for an apple, and when she gave him one, instead of eating it, he put it in his pocket. His mother said to him, "Johnny, inasmuch as you wanted an apple so badly, why don't you eat it?" "Oh!" said Johnny, "I want to wait until I get out among the boys. Apples always taste better when some one watches you eat them." So it is with the Local Agent. The capturing of a "big line" would be robbed of half the satisfaction and pleasure if there were no other Agents watching him get it.

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The subject of Fire Rating is probably the most vital one that confronts us to-day. Quite a number of those with whom we come in contact hold various opinions on this subject, and some claim that there is no such a thing as Scientific Fire Rating. I know one gentleman in the fire insurance business who has done his work so well that he will be able to tell us what he knows, and I have requested him to give us a paper on "Scientific Fire Rating from an Actuary's Standpoint." Gentlemen, I have great pleasure in introducing Mr. Miles Menander Dawson, of New York City.

not compensate or make up for the difference. It also endangers the better class, for it is a known fact that the preferred business, so-called, is paying a rate sufficient not only to meet its own losses, but for much of the poorer class. Considerable of the time devoted to inspection by the average special agent is, I think, wasted. He is not wholly to blame for this, being often expected and required to do more than he can thoroughly accomplish in the time given him. Oftentimes his one object seems to be to determine if the risk is acceptable in order to secure the premium thereon, an income so much desired and insisted upon by the manager. Here let me say, I believe if the special agent would fully inform the local agent as well as the secretary of the Local Board (the latter in states where such boards exist), of the hazardous nature of certain risks and point out all the defects, you would find they would be more quickly remedied than if the special attempted to obtain the improvement himself. The Local Board, if rightly managed, has a power the average special has not in a local community. An inspection slip, in my judgment, ought not only to be a concise description of the risk, but explain fully where the danger, if any, lies, and what is necessary to make it acceptable.

Inspection slips cannot be made up from office registers and maps or from information received from others, and be of any great value. An eastern company recently received an inspection slip covering a brick building occupied for numerous purposes, the rate on which was 76 cents. Undoubtedly it was the omnibus character that called their attention to it. The exposure on the west, shown by the slip, was a brick and frame flouring mill rated at \$4.75. The company immediately requested an advance, stating to the agent that the exposures warranted it. In reply the agent informed them the rate was full tariff, furthermore, that the mill had been raised to the ground and a fine new brick building now stood in its place, the rate upon which was even less than the risk in question. It is needless to say that the inspector was asked for an explanation. This gentleman is not now connected with this company. Moral, don't follow the map too closely when filling up your slips.

It has been said, and rightly, too, that the subject of fire insurance grows more scientific and complicated every year, and that those who lead in reforms must come from among those who by strict attention to duty gain the experience, have the ability and think for themselves, rather than ape others. "Every man connected with an insurance company is valuable to that company only when his services and connection with it influence the right side of the profit and loss account."

I would not say that the average inspection slip is burdened with too many questions, but do contend that the remarks of a competent inspector is of much greater value to the daily report examiner.

A survey may be gotten up very attractively; the diagram complete; explanation carefully made. It looks fine, and is fine; nevertheless, the examiner marks in blue pencil "decline," for the inspector's report notes the undesirableness of the risk. When an inspector meets the assured, points out radical defects in his risk, and is met with the reply, "Will attend to it, but am too busy now," do you ap-

prove in order to secure the premium, or do you make this note upon the slip, "Will re-inspect." It is absolutely necessary to make an inspection of the company's business if a profit is expected, even though not assured. This has been fully demonstrated by the many reckless underwriters, whose names are on the retired list or ought to be. How these inspections shall be done, whether by competent or cheap men, is a matter of opinion only. I am satisfied, however, that the company making careful and systematic inspections will surely obtain better results than if not so done. By systematic I mean that it should be done by competent, and not by cheap, unreliable and inexperienced men. It is necessary to employ competent, faithful and willing inspectors, who will and do make careful examination of every risk on the books of the agency, for a good special agent is worth everything to a company. A poor one, money and time wasted. It is folly to send a man to inspect a factory who does not know a sanding machine from an emery wheel or friction clutch. I have found it not a bad idea for an inspector, if he is not familiar as to a certain class, to read up before making the inspection. Fire walls and doors, shutters, trap doors, elevator shafts, shafting in concealed places, under floors and extended through walls, and electric wiring must be examined. It is easy to see if a double-headed or staple tack is used to fasten the wire and that in driving it the insulation has been removed. Storage of oils, calcium carbide and gasoline in large quantities looked after, and last but not least dirty basements and cumbersome attics. A number of fires have originated from sparks from arc lamps, the carbon falling from same through broken globes. The incandescent lamp also causes many fires, being so handy and useful for decorative purposes in windows. We may not determine the volt resistance of a wire, a short circuit or the safety of a switch, but we can ascertain if lamps are safely installed and protected. We may not be a Jardine, Merrill, a Benallack or a Simonson; but we can give the risk an intelligent examination and determine quite accurately if safe and desirable, and judge quite as well as the expert whether the spelling of assured's name, position of his hands or the shape of his nose would indicate a specially hazardous risk. Time was when a special survey with diagram was required of the agent. Then, only the special hazard was deemed worthy of the inspector's attention. Now, we find it quite as necessary to inspect everything on the books of an agency, and much that is not, for, even though the risk itself is all right, some one occupying this or the adjoining building is not. I contend it is a part of a special's duty to determine the line a company should write in a given locality, even though his recommendation is not always approved by the manager. Ofttimes an inspection discloses a double line on and in a building shown on our maps as having double fire or party walls, whereas none exist. A policy covering a brick building is found to cover only a frame building veneered with brick. These and numerous defects are discovered by the energetic special. The time is not far distant, I think, when much of the work will be done by a bureau or an association conducted for this purpose only and amply equipped to not only make systematic inspections, but duplicate the reports and send out to sub-

scribers. The expense can be largely reduced and surveys obtained. This is now being satisfactorily done in the East on risks where the insurance written is \$40,000 and up. The surveys and reports are very complete and artistic, and furnished to subscribers at slight cost. A daily report is many times held on the examiner's desk, or recalled if passed upon, in order to secure an inspection report as well as assured's commercial and fire rating before making final disposition. It, therefore, becomes a potent factor of the business of inspection that the work be done promptly and well. Careful, thorough and systematic inspection, with co-operation of the assured, has as much to do with low rates of the New England Mutuals as the sprinkler equipment. No company cancels a risk it can consistently carry. It follows, therefore, that none should be declined without sufficient and good reason. I would not order a risk dropped at expiration. If your inspection shows it to be a poor one, cancel at once, and do it then and there. If you are unable to secure the policy, serve assured with the five day's notice of cancellation, even if you are obliged to remain over night to do so. Notwithstanding a company is a private concern conducted for the profit of the stockholders, the relations between the assured and insurer are mutual, and if it could only be understood that companies are only distributing agents of the many to the few who suffer loss, that we were insuring one another (for the premium is only a tax collected for the benefit of all), there would be less need of inspections, for the assured, realizing that by making his risk less hazardous would be benefited by a decrease in premium, reducing the tax per capita and stimulating assured to make improvements he otherwise would not. Insurance companies and managers are in the business for what money there is in it, and not for pleasure only. In transacting the business from day to day, they scrutinize each risk and endeavor to determine if it is safe physically as well as from a moral standpoint.

There is an expression familiar to many of you, which to me seems applicable to the work in hand—"Hang on to the rope." Don't get discouraged; each day brings its various duties and work, but if accomplished to your satisfaction it will have the approval of the management. We only belong to the rank and file of the volunteers, but if we give ourselves the same careful inspection we should the business, we can safely abide by the result. Let us take for our motto, "I dare do all that may become a man. Who dares do more is none."

If this paper should be the means of producing a single thought that will aid us in securing better results, or good, however small, come from it, I shall have been well repaid, even though you may disagree with much that I have said.

In conclusion, I thank you for the courtesy and honor of your invitation to address you on this occasion, and hope and trust my conduct, though at times it may have appeared aggressive, has been such as to command your respect and kind remembrance.

The President—

We would be very glad indeed to have some discussion on Mr. Cornell's paper. This subject is a very important one and we would

be very glad to listen to any one on inspections or on the subject of Mr. Cornell's paper.

(No response.)

The Local Agent should be given an opportunity to state his side of the case, so I have taken the liberty to invite a worker among the Local Agents, in the person of Mr. Jacob Wachenheimer, of Peoria, Illinois, who will talk to us on the question of Fire Insurance from "The Local Agent's Standpoint."

THE LOCAL AGENTS' STANDPOINT.

Mr. Jacob Wachenheimer—

MR. PRESIDENT AND GENTLEMEN OF THE FIRE UNDERWRITERS' ASSOCIATION OF THE NORTHWEST:

"The man who looks wise and says nothing often impresses others, until he speaks, and then they know he is a fool."

I must confess that this old saying was vividly brought to my mind when accepting the invitation to read a paper before this Association. I hesitated taking the risk of destroying what little impression I might have succeeded in making on some of you, also because I felt that it would be a very difficult task to say anything new upon a subject which has been worn so threadbare. However, I finally concluded to accept with the "all risks" clause (as they say in marine insurance), and if I should advance any heresies, or say anything out of place, would remind you, that even that bird of wisdom—the owl—has been known to hoot at the wrong time.

In treating upon the subject of insurance, from the Local Agents' Standpoint, I find it impossible, under the conditions imposed, to cover the general field of insurance, its benefits and necessity in the world of commerce, the method of conducting it and its ethics. I have confined myself largely to that branch of the subject most vital to the class I represent, namely: the Local Agent; his future and his relationship to client and company, and the American Agency System, which is what brought him into being insurancewise.

What is a Local Agent? No doubt many of the field men present entertain private opinions of what some of *their* Agents are, but I must be understood as referring to and dealing with the legitimate, "Real" Agent only, and I hardly think it necessary to give you a definition of what constitutes a "Real" Local Agent. Among the large crop of Local Agents, they only are the ones who come up to grade.

In no business that I know of are the interests of the principal, instead of being represented, so often grossly misrepresented, as in the insurance business. This I attribute to the fact that the "Real," intelligent Local Agent is in the minority. As to who is responsible for this state of affairs, I leave it to those who have the appointing power to judge.

The "Real" Local Agents are the preservers of the honor and good name of the insurance companies. After the policy of the company he represents has been dictated to him, the "Real" Local Agent expects to, and should, represent the interests of his company in every respect, but the company's full confidence in him is essential. This will make him feel his responsibilities and make of him a true Agent.

In every community where insurance Agents are numerous, it will be found that, as a rule, among the "Real" Agents there is harmony and good feeling. The "Real" Agent expects and enjoys legitimate competition. It is the life of *his* trade, as well as of other trades. In this connection I am reminded of the little boy who asked his mother for an apple, and when she gave him one, instead of eating it, he put it in his pocket. His mother said to him, "Johnny, inasmuch as you wanted an apple so badly, why don't you eat it?" "Oh!" said Johnny, "I want to wait until I get out among the boys. Apples always taste better when some one watches you eat them." So it is with the Local Agent. The capturing of a "big line" would be robbed of half the satisfaction and pleasure if there were no other Agents watching him get it.

The "Real" Agent who makes insurance his profession studies the subject from every standpoint. He keeps in touch with every phase and change influencing it, and one of the first things he learns, is that his interests are practically identical with those of the companies he represents, providing the companies are fairly and honestly managed. He knows that the standing, integrity and ability of his companies to carry out their contracts are of vital importance to him, and this being so, he is concerned about all matters of rate, practice and results, as affecting the interests of his companies.

He is deeply concerned about the enormous fire waste in this country, and he directs his best efforts in his community to educate insurers along the line of fire prevention, but unfortunately his good work is often spoiled by the so-called "Fool Agents" who out-number and out-vote him.

Personally, I feel that a continuance of the great fires and consequent abnormal loss ratio is calculated to make the average officer and manager, like the late Colonel Ingersoll, doubt the existence of such a place as Hades, for the reason that it will be hard for them to believe that there can be two places so nearly alike.

In all matters relating to the good and welfare of the insurance business, the "Real" Agent is with the company, and wants to be on the side of *right*. He knows that his client has full confidence in him and in his ability; that he is the "Company" with his client, so far as representation can make him, and he is anxious to preserve this status between his client and himself. To do this he knows it is necessary for him to be in strict accord with his company, that what he preaches must be in consonance with his company's views. He knows that he cannot go before the public with propositions at variance with the practice and policy of the company he represents, and that it would be suicidal to his interests to attempt it, but he has a right to expect that the company will not degrade him by prostituting itself to the broker and policy peddler, an unholy alliance out of which has

sprung "overhead writing," "multiple agencies," hostile legislation, unnatural strife and all the other evils that afflict our business.

The successful Local Agent must be endowed with tact and diplomacy. I know of no vocation requiring these qualifications to a greater degree. Sturdy individualism is, as a rule, one of his dominant characteristics.

The "Real" Agent dares to hope that the future holds in store for him a basis of compensation different from that now in vogue. The learned Henry Ward Beecher many years ago said: "The law of price is the skill, and the amount of skill expended in the work is as much for the market as are the goods." I believe this to be true of the Local Agents' services, and that the time *must* come when the skillful, experienced underwriter agent will, by some as yet undevised system of remuneration, be given the opportunity to earn and enjoy a profit commensurate with his abilities, at least to a greater degree than the unskilled agent. I may be nursing utopian ideas in this respect, or perchance be pursuing a phantom of hope, but as "hope springs eternal in the human breast," some views, however fanciful, may scatter grains of comfort.

The "Real" Agent does not want to be held down. He does not wish to be classed with the "misfits" and "side liners," and treated accordingly. He wants greater scope. Not enough distinction is made between the two classes of Agents, and it is only natural that the "Real" Agent should try to pull away from the other class. His is somewhat the position of a certain cat I am reminded of: Little Johnny was pulling the cat's tail, and his father said to him, "Stop pulling that cat's tail." Johnny replied, "I'm not pulling its tail, pa, I'm only holding on to it. The cat's pulling it." The "Real" Agents may be doing the pulling, but somebody ought to let go.

We hear a great deal nowadays about "Insurance Trusts," for which those engaged in the business know there is no foundation. It has even been hinted at in some quarters, that an Insurance Trust would be formed sooner or later, one of the objects of which would be the abolition of Local Agents. I am not a believer in such a sophistry, and cannot think this step will ever be seriously considered.

In every line of business now partially controlled by so-called "Trusts," men with experience, ability and capital have been able thus far to successfully compete, and should the Agency System ever be seriously menaced with extermination, the leading Local Agents of the country would find no difficulty in organizing gigantic companies to protect and write the business they control, but the American Agency System must, in my judgment, endure. The Local Agent is, and always will be, an indispensable factor in harvesting the crop of so-called "preferred" risks, for which all insurance companies throughout the length and breadth of this great country are every day and every hour industriously sowing seed. The countless scattered small risks which all companies seek, will always be controlled by the Local Agent, and this alone will keep him in the business and assure his permanency. This being so, it seems to me essential to mutual advantage, that there be a closer relationship and a greater "community of interest" between the Company and the Local Agent.

The observing Local Agent, who watches the signs and the tendencies of the times, knows that the number of companies doing the insurance business of the country will, in the course of time, gradually be reduced, and by the same token, the number of Local Agents will be lessened. The time will, in my opinion, have to come when only Agents of acknowledged ability and experience will be intrusted with the responsibilities attaching to the representation of the leading companies, and when only the Agent who makes the company's interests *his* interests will be sought after. The Agent who does this will have solved the problem of protecting the interests of his client also. In the weeding-out process, nature's inexorable rule must be followed, that of the "survival of the fittest." Those Agents who spell commission with a capital C and company and client with a small c will have no place in the ranks, and must fall by the wayside.

My views in this respect are based upon the belief, that in no small degree is the disastrous experience of the companies in general, during the past, what might be termed high pressure years, attributable to inexperienced representatives. The companies will in time discover this fact. The remedy will be in their hands. Meanwhile, they should not forget that "against stupidity the very gods themselves contend in vain."

The experienced Local Agent is the natural educator of the public, insurancewise. He is the friend and counselor of his client, with whom he has, as a rule, the closest relations. It is he who educates the insured to understand that the matter of sound indemnity is of more importance to him than the rate he pays for it.

Stability in rates is another feature in which the Local Agent is vitally interested, and he will hail with delight and satisfaction the time when—if there be such a thing as scientific rating of fire risks—a schedule will be applied to all classes under which permanent and stable rates can be fixed. If the companies will make rates which can be defended and explained, they will find the Local Agents ready and willing to defend them and educate the insuring public up to them.

It will, no doubt, be expected that I say something upon the subject of Agents' Associations, which in some quarters have caused so much concern, and perhaps some criticism. These Associations—the National and Auxiliary State Associations—are still in the growing and experimental state, but it must be admitted that they have already done much good, and that they can be utilized in many ways that will be beneficial to insurance interests in general.

The object of these Associations, "to support right principles and oppose bad practices in fire underwriting" is never lost sight of, and as long as this is their battle cry and is adhered to, they will promote only that which is best for all. Some mistakes may have been made, and some may be made in the future, but "it is through mistakes we learn wisdom." These Associations should not be looked upon as opposed to company interests. They were not formed as a protection against insurance companies, nor for the purpose of dictating their policy, but on the contrary, they were formed to work *with* the companies for their mutual good and against their common enemies. They were formed for and constitute an educating factor in our business.

Local Agents are being taught that these Associations stand for a higher ideal than that of being the means of settling minor troubles that arise in a community. They have been educated to understand that a large percentage of proposed legislative measures are, as a rule, merely a disguised effort to promote somebody's interests and that great care must therefore be exercised in their demands for legislative relief. They are being taught to see through the fog of self-interest that obscures their vision and look into the clear atmosphere beyond where lie their permanent and best interests. They are being taught to be true to themselves in order that they may be false to no one, and that insurance from the Company's Standpoint and insurance from the Local Agents' Standpoint is one and the same thing.

In conclusion, I would say that the insurance atmosphere has been and is still clearing. I hold the highest hopes for the future, and it is my opinion that we stand to-day upon the threshold of an era pregnant with greater opportunities than have been offered us during several decades. The full realization and enjoyment of these opportunities depend upon the wise judgment and honest purpose of those who would be the beneficiaries.

Time will, in my judgment, work out a solution of the vexatious problems now engrossing the minds of the scientists in the world of insurance. When that time comes some of us may have to change our views. Some will have to suffer defeat but, after all, "They are victors who have been vanquished by the right."

The President—

As I am sure we have all had very great pleasure in listening to Mr. Wachenheimer's very able paper, and we should be glad to have some discussion on Mr. Wachenheimer's representation of the Local Agent. Would any one like to discuss this paper? I should be very glad indeed to entertain it.

(No response.)

The subject of Fire Rating is probably the most vital one that confronts us to-day. Quite a number of those with whom we come in contact hold various opinions on this subject, and some claim that there is no such a thing as Scientific Fire Rating. I know one gentleman in the fire insurance business who has done his work so well that he will be able to tell us what he knows, and I have requested him to give us a paper on "Scientific Fire Rating from an Actuary's Standpoint." Gentlemen, I have great pleasure in introducing Mr. Miles Menander Dawson, of New York City.

SCIENTIFIC FIRE RATING FROM AN ACTUARY'S STANDPOINT.

Mr. Miles Menander Dawson—

MR. PRESIDENT AND GENTLEMEN OF THE FIRE UNDERWRITERS' ASSOCIATION OF THE NORTHWEST:

The subject assigned to me is one of unusual interest at this time and one which I approach with much diffidence, feeling, first, that because so little has been as yet developed about it, nobody can claim to know much and, second, that one who has been out of fire insurance for fifteen years, though seeking to keep drift of what is doing, must know far less than scores of others who have more recent and more extended experience. Since the issues, however, are in part actuarial and since it has been my good fortune, after a few years as a fire insurance man, to make an incursion into the field of life insurance where the problem of rate-making had been exhaustively developed before my birth and there to take up the technical side, after several years' practical field experience there also, it was felt by your President, who knew me when I was in fire insurance, that perhaps I might be able to say a few things to you concerning how the problems that are before you strike an actuary who at least knows enough about fire insurance to understand what the issues are. Even in that expectation you and he may be disappointed, and I can but do my best under difficulties that I by no means underestimate.

All forms of insurance are alike in two things: They indemnify for loss, and they do so by means of an application of the laws of probability. In gambling parlance, insurance is "a hedge." That is to say, it is the direct opposite of gambling. It does not take chances but, instead, cancels them. Man is, by the laws of nature, subject to various uncertainties of fortune, as to health, life, preservation of property, etc. This liability he cannot escape directly, but he may nullify the financial hazard by means of insurance. Thus insurance is to him not a gamble but a hedge.

It is sometimes erroneously said that companies which engage in insurance are gambling. If they took a few risks only, the charge would be true; but we shall see that the very fundamental principle of the law of probabilities is that when a very large group is considered, chance is very nearly eliminated and the aggregate loss may be estimated within narrow limits, so that the purveying of indemnity is no more a speculation than dealing in sugar or calico nor indeed so much. Therefore, by means of insurance we find that not merely is the hazard of the individual offset, but also that the hazard when passed over to the company and combined with others, results in a reasonably reliable loss ratio which is transmuted into a moderate tax upon all who, being subject to the same risk of loss, have thus sought protection.

The laws of probability were practically unknown to the ancients, though insurance in a very interesting form was practiced in Greece and Rome. The form was in loans to owners of vessels and cargoes at rates of interest far exceeding the usual upon safe securities, it being

stipulated that the loan should not be repaid at all if the property were destroyed. Insurance, therefore, made its first appearance as the handmaid of commerce, which office has been in later centuries performed by it in a degree that was inconceivable then. Of course, the additional interest upon such a loan was in reality an insurance premium, charged as a consideration for the risk. Indeed, as has been shown in our day, a considerable part of the interest upon loans is in almost all cases really a premium charged because of the risk of the principal. But in those days, while the thing was known, its nature was not fully understood.

The mathematical law of probability may be stated as follows: If in a large group of persons, for instance, to each of whom a certain thing appears a priori equally likely to happen, it does actually happen within a certain time to a certain number, then the risk that such will happen to one person in the group within such time may be represented by a fraction of which the number to whom the thing happened is the numerator and the number composing the group is the denominator. This may be stated in another way which may be even clearer, viz.: This fraction will accurately represent the probability that a given man in the group was one of those to whom the thing has happened. For, indeed, the application of this principle to future happenings calls for an additional generalization and also for careful testing to determine whether the group was large enough to furnish a reliable average and whether the classification really admitted none but like hazards. Even then the result must be accepted as a guide for future estimates of the value of a hazard, with caution, until repeated testing has proved the correctness of the deductions in every respect.

But, so far as the mere law itself is concerned, it is as well stated when we seek the chance that the event has happened to a particular man in the past as when we estimate the probability that it will happen to a given man in future. It is this unity of the law of probability that makes it useful as a means of prevision, and, therefore, as a foundation for insurance. We know the law to be reliable and we surmise that this, in turn, is because other laws, causing the phenomena which we are attempting to forecast, are themselves working with even and reliable regularity. In other words, our study of probabilities leads us to the conclusion that, strictly speaking, there is no such thing as chance—though, so far as the power of the individual to control events, is concerned, of course there is and must be; but that causes are continually at work which explain all that happens and that, if our knowledge of these causes were perfect, we should find ourselves in a world of certainty. It follows, therefore, that no grouping is or can be perfect, for, if we could know all the forces that are in operation, we should not merely know which in the group were out of place there but we should also know to which alone the event would happen and they alone would be in place there. It follows, therefore, that it is our task to classify and reclassify, knowing that at best the grouping is imperfect and knowing also that if it ever became perfect, not only would our labors be at an end but that there would no longer be probabilities but merely certainties and so that insurance would be impossible. It is clear then, that insurance and the science of probabilities are both ephemeral things which will pass away when

man's knowledge is all-embracing. Perhaps, however, the time during which this omniscience is evolving, will be sufficient for our purpose; and we have at least this encouraging consideration that, if the grouping could be perfect, as our critics sometimes think or at least say that it ought to be, it would also be useless. Strangely enough, then, its utility depends upon its incompleteness and imperfection. But we are not on that account to neglect grouping things together which seem to us most nearly alike; for, do what we will in that regard, there will be imperfections enough in the selection, you may be sure.

In fire insurance, where the determination of the amount of a premium has been empirical, as a rule, you have seen a remarkable development in classification which, had it been accompanied by a similar evolution of scientific rate-making, would by this time have put you in possession by easy stages of the most wonderfully and perfectly adapted system known. Unfortunately, it was not so accompanied and the work of determining cost ratios, which are hazard ratios, has been deferred until this complexity has been introduced by the necessities of competition. The most serious and important obstacles in the way of at this time making fire-rating a science arise from the great complexity of these classifications, none of which existed in the beginning. We have classifications by construction, by occupancy, by exposures, and each of these has sub-classifications almost without end. Then, as we shall see, it is also considered desirable to group by territories and likewise by time, measured by terms of years if not by single years. It is this which makes the labor of preparing the ratios seem so great, and, indeed, to many impossible—this and the enormous mass of data involved in each group. If the work had been entered upon when there was little attempt at classification, it would have been easy; and, since it would have kept pace with the complexity with which time has introduced and indeed would doubtless have suggested and determined that complexity, it would not now be difficult to keep the machine in motion.

In life insurance, to digress for a moment, the development has, in this country especially, also been one-sided. The science of probabilities, together with its application to rate-making and other problems, has been brought to great perfection; but the grouping has been into one class only, viz.: lives, accepted as first-class, while lives which fell below the standard were unable to secure insurance at all. Naturally such a system has resulted in many lives being accepted which were regarded as on the line or very near it; and within the year, the American Society of Actuaries has, on the suggestion of Emory McClintock, actuary of the Mutual Life, and the greatest living member of the profession in this country, begun as its first great work, to construct with the co-operation of the principal companies mortality tables from their experiences for classes of lives, distinguished by heredity, occupation, personal characteristics and history. This is a great task, also, comparable only, perhaps, to the work which we are discussing, that of classifying and ordering the statistics of fire insurance companies, so as to determine the ratios of loss as to each class. It is significant, perhaps, that both branches of insurance, which have in the past been so one-sided in the development of their rate-making systems, though in ways diametrically opposite, should now apparently be approaching

the same goal of systematized and thoroughly classified statistical tables, showing the cost by classes. Fire insurance should, it seems to me, come out with the most perfect and useful tables; for what is needed in life insurance is, perhaps, not so much further classification of lives that have all along been accepted but information as to rates which would be safe for the one-sixth part of those who have applied that have been rejected. This information the investigation will not develop and consequently the experiments in the field of insuring impaired lives are being made by means of empirical modifications of the rates with eyes open for everything that can guide the classification. The fire insurance companies have, taking all of them into account, embraced about all classes of property that are subject to the hazard of destruction by fire. The one-sided development of the business has not been narrow as has been the case in life insurance to a lamentable degree.

Perhaps a definition of the meaning which is by me attached to the word "empirical" may not be out of place. The fixing of a price, however cleverly and shrewdly done, without actually computing the costs, is an empirical act. Most prices are thus fixed, to a great degree; for, while the sellers are loth to sell for less than cost, circumstances at times compel it and, on the other hand, they are rarely slow to accept large profits over the cost if opportunity offers. But it is another matter for one to be offering his goods in the market without knowing whether the price he names is above or below the cost. This was the condition, however, in railway rates until very recently. There the rule of the markets: "Charge all that the traffic will bear" was and is yet followed; but there is this difference between the old days and these, that then the wisest managers did not know when they were underbidding the cost while now there is close figuring done continually to determine that very matter. The situation in fire insurance has been similar to this. In both cases, it reflects great credit upon the acumen, skill and judgment of the men who have directed the business that the consequences have not been more ruinous; for they had nothing but the general result from year to year to guide them.

In railroading, I have been informed, the old system, while frequently bringing out reliable profits from the whole business from year to year, was found to have caused the greatest inequalities and inequities, when it was once thoroughly examined into. It has been reported that the hasty and imperfect investigation of fire insurance experience that was recently made, showed a similar state of affairs. I may add that this was also until recently the fact, in a large degree, in a business so remote from insurance as banking. Bankers, whether making or losing money on the whole business, have not infrequently had little idea which customers, aside, of course, from the largest of them where the facts stuck out, as it were, paid a profit to the bank or even compensated it for services rendered. But in the best and largest banking houses this is now changed and close track is kept of each account by an infallible system, so that the banker knows of a certainty whether the account is profitable. Thus, in leading New York banks, the account is duplicated by entries, showing when the value of deposited paper is actually reduced to possession by collection of the

same. Similar investigations also as to the cost of collecting caused the adoption of the charge for collection of out-of-town checks by the New York Clearing House.

You will observe that in all the four great businesses which I have mentioned, fire insurance, life insurance, railroading and banking, the development has been from dealing with heterogeneous or mixed groups as if they were of one sort, to dealing with smaller and more thoroughly homogeneous groups. It is the mastery of details that counts in business nowadays and, the larger the business, the more imperative is the demand for this classification and study of details.

The more classifications there are to be handled, the larger must be the statistical data from which deductions are made. The reason for this is that each classification stands wholly or in large part by itself and the ratio of loss must be determined for it separately, just as if it were the only class. Laying aside the question for the time, whether one period, on account of improvements or the contrary, is to be considered to have involved more or less risk of fire, the groups can be made up of different years' exposures, the losses for various years in that class being summed also to make a total. In this way, a sufficiently broad basis may sometimes be found for ratios in a class where the exposures in a single year are too few to yield a reliable average. The enormous mass of details which make up the experiences of the fire insurance companies is, in view of these things, seen to be a benefit and advantage and perhaps well worth all the additional labor which it entails. For, by reason of the great abundance of the material, it ought to be able to attain at least the following desirable ends, viz.: Thoroughly reliable conclusions as to the cost of insurance as to all the larger and more important classifications, including much information concerning the causes of fires in these classes, giving a basis for extra charges and for credits as well; reasonably definite measurements of the hazards in all the less important classifications, the data being in each case much more plentiful than could otherwise have been expected.

The value of a broad basis is well known to you all, and yet I am sure that an illustration will not be out of place. Common sense teaches us that, for instance, in tossing a cent the chances are even whether it shall turn up head or tail. But if it be thrown but once, it must have turned up one or the other, and if a judgment were based upon that throw only, we would have a certainty. And experience, as well as reason, teaches that there is no certainty that it will turn up once one way and once the other in two throws; nor just half the time one way and just half the time the other way in four throws or any other small number of throws. But what we mean by saying that the chances are even, is that in a very large number of throws the number of heads and the number of tails will be nearly the same, and that in an infinite number of throws they would be just the same. We expect the ratios found by actual throwing the coin, to correspond more closely to the chances which we determined by reasoning about the matter, the larger the number of throws. In the same way, the average fire loss which is drawn from a very large number of exposures will more accurately correspond to the real probability; and, other things being equal, it will be more reliable, the more exposures it is drawn from.

In order to get this broad basis, several companies, indeed many companies, will need to pool their statistics. This has been a stumbling-block in the past, but is not likely to be such in future, when the advantages and the safety of such procedure are fully understood. I well remember the expression of disgust with which the suggestion was received by a friend of mine, high in the fire insurance world, more than ten years ago. The feeling was at that time that such a thing could be accomplished only by so exposing the experience of the individual company, that all its underwriting mistakes would be an open book to its rivals. In addition to this humiliation, the managers also saw the possibility that their underwriting successes would give such indications to their rivals, that the advantage which they had enjoyed, would soon be lost.

Of course, the statistics of the experiences of the companies could be pooled in a manner to involve just such disadvantages. Each company might digest its totals by classes and give in the results, exposing its own mistakes and successes. But if it were done in this way, in addition to this objection, there would be the further objection, that the grouping would have to be wholly predetermined, the data could not be rearranged as occasion seemed to demand, and the persons charged with responsibility for the results, could not know certainly that the grouping had been made in precisely the form desired, so that their conclusions were drawn from just the facts they assumed to be true. The experiences of life insurance companies could have been collected in a similar manner to make mortality tables; but they never have been and few actuaries would be willing to assume responsibility for the result, if they were. The form in which the material is collected is, instead, in individual risk histories on cards. And, as soon as the cards come in, they lose their identity so far as the company is concerned, and, in any event, they are not combined so as to show to anybody what that company's individual experience has been. Of course, in collecting the data for the pool, a company may and, indeed, should put the same together for its own guidance and advice. But it will not be known to other companies and, moreover, will be of greater value to the company itself, when it can compare its own experience with the experience of all. The task of reporting this mass to a central body in such a manner may seem gigantic, but it is really no more labor than to digest the data before sending it in. It is better and more economical to have the sorting done by one set of clerks, and under the supervision of the committee in charge. The same individual cards, too, are likely in such case to be employed successively for different purposes, falling into new groups one after another, until all the information which they give is extracted.

Mention has already been made of the desirability of having the material fluid, so to speak, so that it may be grouped into new and unexpected classifications, instead of being required to fall into predetermined classes. All fire insurance men have preconceptions as to what the statistics, when thus brought together, will demonstrate. In order to deal with the subject at all, it will be necessary for the committee in charge to recognize these preconceptions, as a means of determining the first forms of classification. But the first grouping, however skilfully made, is never likely to prove wholly correct. Many

of the preconceptions are sure to be erroneous; and, when this is shown, the material should be in such form that new groupings, suggested by the facts as they develop, may be adopted.

There is one sort of hazard which deserves to be put to one side for separate consideration; that is the conflagration hazard. Two things appear to be clear about it from the outset, viz.: first, that to get any sort of measurement for it, many apparently unlike hazards in all other regards, must be grouped together and, second, that in order to get an average, periods much longer than one year must be employed. When the method of properly measuring this hazard has been arrived at, it will also involve the necessity for recognizing, that reserves to cover it must take into account a period of much more than one year. Then the truth will come to light, that much of the funds which are now held as surplus, are really reserves against this conflagration hazard, and that it is wisdom to accumulate such and folly to fail to do so. The liability on this account reminds one of what the actuaries call "suspended mortality" in life insurance. This means that the company which assumes that, because at younger ages it shows a great saving on the mortality estimates, the same salvage will apply straight through, forgets that the men who failed to die at forty, are merely reserved to make a larger number of deaths at the higher ages. Thus conflagrations are not expected every year, and such portion of the premium as represents this hazard is not released when the year has passed, unless the risk is wholly off the books.

This reference calls to mind the safety fund law of New York, which is, in a way, a recognition of this necessity for a special conflagration reserve. Its defect seems to me to be that instead of being a provision directly to cover the conflagration risk, it is only indirectly so, since it acts as a special protection of other policy-holders against their reserve values being swallowed up by the conflagration.

The inquiry is surely pertinent, in view of the trouble and expense which such an undertaking as this investigation would occasion. What is the good of the ratios anyhow? Many consider that rates are made by competition, and that the idea of securing uniform rates without combination, is a foolish dream. And they reason that, since combination is necessary in order to sustain rates, and since by means of combination it is already demonstrated that they can be kept high enough to pay a good profit, the expense and labor to ascertain costs would be wasted.

Much of this contention is justified. Too much must not be expected of the mere ascertainment of the costs. In manufactures, for instance, the cost is usually perfectly well-known to all parties. Yet undue competition has often brought about absolutely ruinous conditions, and the excuse which is most frequently offered for trusts and combinations, is the practical impossibility of carrying on the business at all under free competition. Yet it is even worse to compete without knowing what you are losing when a certain price is made. In these very periods of cut-throat competition, the manufacturer who has most completely in hand the information about costs, is enabled to inflict far worse injuries than he receives, while his adversary strikes in the dark and often injures himself instead of his antagonist.

Surely it is irrational to carry on a business in such a manner. Moreover, the fact that it is thus carried on, cannot be hidden from others and it creates unusual resistance to rating schedules. Men resent changes in their rates, anyhow, but yet more do they fight against them when they can set their judgment up against the underwriter, knowing that the latter cannot assign a reason for his opinion, and is, in fact, in doubt whether the rate should be so much or so much. Well do I personally recall the effect of a rating upon the property-owners in the country town where I was brought up—a rating which involved doubling many premiums. It was not comprehensible to the business men that these risks were good at the old rates the day before, but required the new on that day. It takes good grounds to justify such to the mind of the average man. And the resentment and ill-feeling occasioned in this manner and fomented by the surmise that the rate-makers do not know that the new rates are correct, result in movements against the companies, in laws against combinations and the like.

But it is not merely as a means to avoid this sort of prejudice that accurate information as to costs would be useful. The fact that rates were thus determined would gain the good will of many. This information in simple form, would satisfy men that their interests were guarded in the working out of these problems, and that care was taken to make rates in proportion to the value of the protection. In my own short experience as a fire insurance man, I remember that a little talk about the underlying principles of insurance more than once disarmed prejudice. If these fundamental principles were strictly regarded, as they would be under a system of scientific rating, it is difficult to see how a business man could offer a fair excuse for objecting to pay what experience showed to be his just share of the losses and expenses of the business.

If the tariff associations were abandoned, it is true that the mere fact that the costs had been accurately ascertained might not restrain undue competition. It would, however, be likely to have a steadying effect upon rates and might serve ordinarily to confine the competition within narrow limits. Such, in any event, has been the effect in life insurance, so far as the regular companies are concerned. Moreover, since the purchaser of fire insurance buys a promise, instead of a commodity, rates that are cut too much might, if the fact could be shown, create such fear of the security of the company as would cure the evil or keep it within bounds. It would be foolish to say that this effect can be depended upon, for we have the fact to face that for many years assessment life insurance has been liberally patronized, although charging rates so insufficient that the safety of the insurance was imperilled. You also have known many instances where doubtful fire insurance has readily been accepted in order to save a little on the premiums. While this is true, however, the fact that most of the fire insurance is in companies that decline to meet the competition of notoriously unsafe concerns, shows that most business men do value security above a saving in rates. When the facts concerning the cost of fire insurance have come to light as to each classification, companies that for a time seek to do business at rates that are below cost, can be made to appear notoriously unsafe very readily, because they really would be so. Such would rarely be backed by substantial capital and would not be feared.

Another most important advantage that should flow from this determination of the costs of fire insurance is that it ought to contribute very much to the solution of the commission problem. It is well known that the difficulties concerning commissions had their origin in the fact that certain classes of hazards were known to be more profitable than others, and this, not because of the superior skill of one company over another in selecting risks of that class, but because of the fact that the rates were higher in proportion to the hazard. These classes came to be known as preferred, and, while the Western Union companies were doing nothing to show their preference for them, the non-union companies were emphasizing their choice by offering much larger commissions for preferred risks. With the costs accurately ascertained, the gross premiums may be made to accord with the net, with the same margin for expenses and profits, or with a different margin, as is thought wisest, and level or graded commissions will be provided for, precisely as the companies prefer. Moreover, it will be in their power to make any class of risks more or less profitable by changing the margin and thus to take it out of the possibilities that larger commissions shall be offered than all are able and willing to pay.

Reference has already been made to the steadying effect which the mere fact that the costs have been ascertained, will be likely to have upon rates. This steadying effect, however, would be greatly increased if this cost were made the basis of reinsurance reserves as reported to the departments instead of such reserves being based upon gross premiums as at present. By "gross premiums" I mean the actual premium receipts for the year, "net" in the sense that cancellations and the like have been deducted. At the present time a company gets off with a smaller reserve charge, the more insufficient its premiums have been. Thus, if it accepts business for half rates, its reserves are half as much as if its rates were full. In this manner insolvency is sometimes concealed for a time and the state's certificate of solvency becomes vain. In a recent annual report of the Massachusetts department, public attention was called to the fact that by means of reinsurance an insolvent company might transfer its business to a concern that was not more solvent in point of fact, but that made an appearance of solvency, if charged under the rules with a reserve liability for only one-half the reinsurance premium, however inadequate that might be.

The question is pertinent whether the cost schedules would be likely to be accepted by state legislatures as standards of solvency. As to this nobody can surely say; but we do know that a scientific reserve was adopted as to life insurance companies and that the presence of this legal standard has had a wonderful steadying influence upon life insurance premiums in the regular companies.

In this connection, it is worthy of remark that the legal reserve rules as to the valuation of life policies have not brought about absolute uniformity as to life insurance premiums. There are many variations; but these are kept within reasonably narrow limits. In consequence, there is not much complaint about these differences. It must be conceded, though, that the problem in fire insurance is different; for in life insurance considerations as to the profit-earning power of the various companies influences the choices, as also do personal pref-

erences and especial confidence in particular institutions. In fire insurance, on the contrary, so long as the company is safe, there is never much choice, and so the cheapest bidder gets the risk as a mere matter of business. But, on the other hand, it does not follow that because in life insurance an equilibrium of rates has not been the result of scientific reserve systems, it would fail to be the consequence of the adoption of such a system of fire insurance reserves.

It is possible, too, that the companies might turn to the very device for assuring that they can collect ample premiums that has long been employed by life insurance companies, viz.: to make the policies participating. This was tried in fire insurance many years ago, but had little then to recommend it. Now, however, the competition is hard and close and it is possible that often the insured would attest his confidence that the rates should be materially lower by being willing to pay the higher rate, provided the insurance was written, so that his policy would participate in the profits. Life insurance companies have by this means been enabled to collect one-fourth or more over the stock or non-participating rates, every cent of which extra premium is available if needed, to pay losses or expenses. In fire insurance, of course, great care would need to be exercised, and if this excess were subject to the payment of commissions, there might be no possibility of making the plan work. But, operated with caution, it might work all right, giving the insured lower actual cost, while assuring the company against the possibility of coming out behind. This may prove to be the ultimate solution of the problem of providing flexible premiums, in spite of the fixed cost ratios which investigation would discover.

Another benefit that might flow from the establishment of a joint statistical bureau is that, gradually by a process of extension, the indemnity furnished by fire insurance companies might be widened to cover many risks which are now tabooed. Thus the hazard of loss by explosion might be investigated and, instead of excluding this risk of property loss, it might be included. Insurance is more valuable, the more inclusive it is; and, where the risk of loss from one cause is slight, it can hardly be covered except in connection with other hazards to the same property. In a like manner, the risk of the collapse of a building might be covered. As to the subject matter of insurance, there might also be the extension to cover profits which a business man loses through the stoppage of his business when his property is destroyed. Remuneration for such lost profits is nowadays strictly ruled out by all companies; if this could be covered safely, it would be well. In London, according to the press reports, the need for such insurance has become so pronounced, that a separate company has been organized to furnish it.

It has been argued that the ratios which would be arrived at, would be vitiated by the fact that insurances for full value and insurances for only a part of the value would be grouped together. It is, to be sure, well known that both overinsurance and underinsurance have their perils for the company. Thus overinsurance tends to induce incendiaryism and underinsurance results in much protection being furnished for a small premium. Since most losses are partial and, indeed, for small parts of the value, a policy for one-half the

value or less often calls for as large a payment on the part of the companies as if it had been for full insurance.

We have already seen that there can be no claim that the classification is perfect and, in fact, that a perfect classification would be useless. In this regard, it must be conceded, I am confident, that the classification cannot be homogeneous. The costs as ascertained, will be higher, by some percentage not yet measurable, than it should be when full but not excessive insurance is carried, and lower than when a very small part of the value is insured or when excessive insurance is taken. But the cost ratios will represent the average, insurance being taken as men desire to take it, some too much, some too little, many approximately the right amount. These are, perhaps, in the present stage of the business and of our knowledge, the most useful ratios we could have. Deductions from rates, based upon such costs, might be allowed when full insurance is taken, and this is doubtless the best form for such discrimination to take—much preferable to fining the insured for not carrying full insurance and less likely to arouse resentment and cause retaliation in the form of adverse legislation.

It has been asked again and again what effect these ratios would be likely to have upon the schedule system which has been so widely introduced and which unquestionably has served a very good purpose. It must be replied that nobody knows in advance. If anybody did know just what the ascertainment of these ratios will reveal and could prove to others that he knew it, much expense and trouble might be spared us. For myself, I have been interested in the Universal Mercantile Schedule from the moment I heard of the idea, and I procured a copy as soon as I could. It seemed to me then and it seems to me now both a step toward more intelligent treatment of the question and also an absolutely necessary precursor of scientific rating, showing the general methods which must be pursued and also the necessity for cost ratios, based upon actual experience, by means of which to construct a schedule, perfect and reliable. It has seemed to me to be a sort of John the Baptist crying in the wilderness, or a schoolmaster to bring us to Christ. There can be no doubt that the results of an investigation will indicate the desirability of schedule rating and nobody, of course, will welcome more heartily the changes in the present schedules, no matter how radical and sweeping, if correct and founded upon substantiated facts, than the able and ingenious gentlemen to whose prevision of the coming conditions and to whose indefatigable labors we owe the present schedule. Scientific rating comes not to destroy the law nor the "profits," let us hope, but to fulfill.

Let us see what the investigation might be expected to yield in the way of information that would throw light upon the schedule. First of all, it ought to be able to determine for each class the loss ratios from various assigned causes, differentiating also by comparing smaller groups, as to risks with and without certain improvements and fire-fighting appliances. By this process a close estimate, first, of the residual, unverified cost, and then of the costs because of deficiencies, etc., might be made. Surely many things, that in the opinions, even of persons who are most favorable to scientific rate-making must yet remain subjects for empirical modifications of the rates, are likely

during such an investigation, if properly conducted, to take definite form and in some cases to yield thoroughly reliable ratios for extra charges or allowances.

Naturally the investigation, if attempted, would cover separate ratios for various territorial divisions and also ratios for different periods of time. These, together with the reports as to ratios of loss from different causes of fire, might solve the question which has troubled so many underwriters, whether there really is something in mere locality which affects the fire ratios favorably or unfavorably. The bearing of this investigation upon the Universal Mercantile Schedule, just because it claims to be universal, is manifest.

Proper classifications will also enable the committee in charge of such an investigation to determine the influence upon the fire loss ratios, of single and multiple occupancies, of various sorts of occupancies, of exposures of every sort and nature. Such investigations will be intricate and it will greatly facilitate them if the information comes on cards, in the manner already indicated, so that they may be shuffled about and grouped again and again for different purposes. It ought to be possible to extract all the information that will be useful before the card is cast aside; and, in order to do this, the amount of information contained upon each card will not need to be multifarious. Comparatively simple groupings only should be called for.

The labor of conducting such an investigation will be very great because of the enormous mass of material to be digested and because of the number of classifications that will be needed. But, while arduous, the work will not be difficult and will in the end prove simple and easy. None of the intricate and puzzling mathematical problems which actuaries have to deal with, when handling life insurance statistics, will here be encountered. A perfectly clear head, a firm grasp upon the objects to be attained and unfailing insight into the methods by which the same may be secured, will help over the worst difficulties in classifying such a mass and drawing proper deductions from its statistics. The task would not be regarded formidable by skilled statisticians, except on the ground of the amount of data, and even that is not great when compared with the statistics which are often treated in connection with a national census. There is certainly nothing insuperable in the difficulties of the task; and the work ought not to involve expense at all comparable to the probable value of the results.

The President—

Gentlemen, Mr. Dawson's valuable and scholarly paper will fail of its mission if it does not provoke some discussion. He has given us some strong points and I should like very much to hear from Mr. S. H. Lockett on this paper.

Mr. S. H. Lockett—

MR. PRESIDENT AND GENTLEMEN OF THE FIRE UNDERWRITERS' ASSOCIATION OF THE NORTHWEST:

I have been honored with a request for a five-minute discussion of Mr. Dawson's interesting paper, but if one were compelled to stick to that text his stock of laudatory adjectives would be taxed to the limit. It is very gratifying to perceive in one who has devoted him-

self to another line of business an appreciation of the fine points of another—points, be it said, that many of us are too apt to pass over as the refinements and hair-splittings of theorists. Mr. Dawson's reference to the calculus of probability alone is one that can scarcely be made by any member of our profession without running the risk of being thought technical and impractical. And yet an appreciation of this law, consciously or unconsciously, is, at the bottom of all sound business judgment, an application of its principles, the secret of underwriting success. The longer a man's experience of worldly affairs and the sounder his judgment, the more nearly does he conform to the methods of the mathematical calculus in arriving at his conclusions. In fact, it is only by long experience that the judgment is ripened when the mind is not initially grounded in many mathematical principles, especially those affecting the law of probabilities. But there is a general tendency in our business to belittle the efforts of those who are earnestly trying to put into practice correct methods based on correct principles, and until there is a wider-spread recognition that so-called horse-sense methods are inadequate, scientific fire rating will make very little progress. Most of us have regarded scientific rating as a bright iridescent dream, and its pursuit in the past has been very much in the nature of rainbow chasing, but let us hope that the pot of gold at the end of the chase is more real than the fabled one over which the rainbow hovers.

Owing to the very tendency mentioned a moment ago, scientific fire rating has many difficulties to overcome before it assumes a tangible shape. As Mr. Dawson says, it may not be a task that would frighten a statistician to collect and assort the experience of the various companies, provided the companies would furnish the data. It is, however, a very different matter to apply the ascertained cost ratios to individual risks so as to produce rates that will be equitable and, when averaged, show an average profit. In other words, the work is only just begun when our statistics have been collected, sorted and tagged. It is unfortunate but it is true that we do not seem to realize that the preparation of a schedule which will utilize such statistics adequately is a stupendous undertaking. There have been many attempts at schedule manufacturing, some of them admirable in their way, but the chief fault with all has been that they have not had reliable statistics on which to base their calculations. In fact, it is impossible at the present time to prepare an adequate schedule for the very simple reason that we have had no fixed standards of comparison. Let us suppose that land surveyors go over a certain territory and establish bench-marks, and that various farmers find them in the way of their ploughing and remove the bench-marks to other fields where they are not in the way. How much dependence could be placed after this upon the data already secured? And how would the data already secured relate to future surveys based upon the bench-marks which were moved unbeknown to the surveyors? Yet that is about what we have been doing in keeping our statistics and making our tariffs.

It is easier, of course, to describe a trouble than to prescribe a remedy, and it would be presumption in any one individual for him to say that he had discovered a panacea for the rating evil. Yet everyone has his pet theory, and if we could only appoint a competent committee to select from the various theories held by us all those

which contained the best germs of sense, a good start might be made. It is practically useless to waste words in arguments and discussions made at random, as has been the case heretofore. For instance, I have nursed a pet of this ilk which is a belief that all risks are made up of elements which are analyzable and classifiable and which should be recognized as identical no matter where they are found. Others believe that there is a mysterious something that makes a hazard by one name worse when called by another. And, indeed, it looks a little as though this were the fact, since classes with identically the same construction, hazards, occupancy and grade of employes will uniformly reveal different loss ratios. I have tried to describe this undeniable fact as "an intangible hazard peculiar to each class and not susceptible of analysis," Mr. Dean has revealed a more finished conception of it in his phrase "residuum of unanalyzed hazard," and both of us have been branded with the accursed word "scientist" by those who had other and perhaps better theories to advance. Mr. Moore believes that a schedule can be universal—a sort of skeleton key to unlock any rating situation—and starts with a flat basis rate; (Mr. Dean does not believe a single schedule can do justice to all classes and holds out for various bases; and personally, while I am inclined to Mr. Dean's views, I still lean a little toward the belief that there should be no basis rates and that, when the aqua regia of correctly kept statistics is thrown upon a rate, the "unanalyzed residuum of hazard" will be dissolved and be found to consist of well known elements. Doubtless you all—those of you who have given the subject serious thought—have similar beliefs or uncertainties of belief, and, as my five minutes are about up, I shall suggest, in conclusion, that if any organization intends to grapple with the schedule-making problem, a committee of liberal-minded, thinking gentlemen should be appointed to weigh all information, review all theories and perfect all plans, both as to keeping statistics and as to applying them in the form of a schedule.

The President—

Gentlemen, we are very glad to have this discussion and we should be glad to have further discussion from the floor.

Mr. J. P. Hubble—

MR. PRESIDENT AND GENTLEMEN OF THE FIRE UNDERWRITERS' ASSOCIATION OF THE NORTHWEST:

I have listened with great interest to Mr. Dawson's able paper upon scientific fire rating from an actuarial standpoint, and the very interesting discussion of it by Mr. Lockett. The subject is too large to be covered in two papers or two days, and I trust I will be pardoned for presenting a few of my thoughts bearing upon it.

Fire insurance is a tax, and the function of the fire insurance industry is governmental. We are under bond to collect sufficient premium to pay losses and expenses, to build up a surplus to meet conflagration losses, and we should return to the capital invested a reasonable dividend. If we fail in this the companies' surplus and capital, standing as surety on the bond, must make good the deficit. This phase of the business is well understood even by the laymen, and needs no arguments.

The converse of the proposition, that is, we are prohibited from collecting more than sufficient to meet the requirements as above stated by a law none the less inexorable though unwritten, and under a bond none the less binding and with penalties even severer for collecting too great a tax from any class or territory than prescribed by the law first stated. A violation of the second principle is penalized by inimical public sentiment which is crystallized into hostile statutes, adverse verdicts, and attacks through the press, as well as by all sorts of competition from nondescript adventurers and book-makers disguised as insurance companies. Hence the golden secret of our business is with us a just rate. Not too low, and thus jeopardize the capital invested; not too high, for we then lose the business, but a happy medium, a fair and equitable rate of taxation upon individual risks, classes and territory. I know a company that received \$345,000 in premium over its own counter in New York City in 1897 with a loss ratio of 29 per cent. The rate war followed the next year. Rates on the Pacific Coast were maintained for many years at a figure which produced less than 40 per cent. of a loss ratio, then came demoralization. Preferred business in Iowa has produced an abnormally low loss ratio on the class, now we have no rates. It is my prediction that if the rates on preferred business in Chicago are not voluntarily lowered by the local board that a short time will produce utter demoralization on this class.

The rate should be the measure of hazard, and as the loss wave is constantly fluctuating we must of necessity have a system that is more flexible, thus providing for the maintaining of an income with disbursements. Mr. Dean, in his Fire Rating as a Science, quotes physical measurement by Earle:

"The real beginning of exact knowledge of science lies in measuring, and the faithful observer of Nature is always occupied in measurement. * * * * * All measurements are carried out by the use of a standard. To measure any quantity we have another quantity of the same kind. There must be something which does not change with regard to its surroundings or measurements are impossible."

In this valuable treatise Mr. Dean suggests a method of measuring the fire hazard, that is, that our rate books or printed tariffs shall be called "cost estimates," that each risk be rated by schedule and its class number given it printed in the book. There should be two blank lines beyond the printed tariff which is the cost rate.

I believe every speaker from this platform has urged the desirability, if not the necessity, of combined classification and experience as a necessary step to arriving at a correct rate. Mr. Dean is the first to suggest a plan to accomplish the desired result without having this information first. By his plan the premium is to be figured per thousand dollars insured. He proposes to print books of cost relations instead of tariff rates. These should be arrived at by the application of some proper schedule with percentage additions for defects and percentage reductions of the basis for improvements, thus establishing true relations. Then if the cost relation multiplied by the amount at risk fails to produce revenue, sufficient additions can be made upon a percentage basis and reductions arrived at in the same manner. Each class is numbered in the rate book, for instance: frame protected dwell-

ings class No. 1, unprotected class No. 2, brick mercantile buildings protected class No. 4, unprotected class No. 5, and so on through. When we realize the fact that 60 per cent. of the income of the companies is derived from two classes, that is preferred and mercantile, with their subdivisions of brick and frame, protected and unprotected, buildings and stocks, we can see how easy and practical it will be in a comparatively short time to arrive at an approximately equitable premium income for the staples of our business, provided we keep a ledger account by class numbers in each state and how readily we can change our cost relations to follow the burning line up or down. It does not require the mastery of the science of philosophy to grasp and apply these principles. The plan is practical and practicable. It may be that statutory requirements, as suggested by Mr. Downing, will be necessary to produce this desired result, but we hardly think so. The printed cost relation will be the foot-rule, and like all standards of measurement may be empirical, but by using percentages for increases or decreases the hazard may be accurately measured in a short space of time. The ancients had no word for treason but used the phrase "studying new things" to describe sedition. This thought is largely applied to our business to-day. It has been said that nothing is more conservative than one million of dollars except two millions of dollars. We might paraphrase that by saying nothing is more conservative than one insurance company except two insurance companies. We certainly have got to change our present extravagant and cumbersome method of changing our premium income from the scheme now in vogue, which requires the expenditure of at least one-quarter of a million of dollars in money in Western Union territory, and what is more serious a delay of from one and one-half to three years in building and testing a new schedule and promulgating the rates made thereunder every three years. If a schedule meets the requirements of to-day it follows axiomatically that it will be obsolete within three years, because conditions will change. I am a convert to Mr. Dean's theory and believe it is certainly worth a fair and unprejudiced trial.

The President—

The Committee appointed to name the Directors for the ensuing year are requested to meet in the adjoining room here at 9 o'clock to-morrow morning.

Lest our discussion should be all heavy, we have invited a paper entitled "The Bright Side." I have the pleasure of introducing Mr. J. F. Stafford, New York City.

THE BRIGHT SIDE.

Mr. J. F. Stafford—

MR. PRESIDENT AND GENTLEMEN OF THE FIRE UNDERWRITERS' ASSOCIATION OF THE NORTHWEST:

Once upon a time there lived in Cincinnati a man by the name of "Casey," or Gallagher, or some such name, and in making a speech before the New York Field Men's Association, he took occasion to say:

"We are not a happy class of business men; when we have a fairly profitable year we are dissatisfied, perhaps because we did not make more profit, or because some other company has made a larger profit than we have." This brought to his mind the anecdote of the two old ladies who met on the street one day. Mrs. Hennessey said: "Mrs. Casey, how is your family now?" "Well," said Mrs. Casey, "'Tis all well they do be exceptin' the old man; he has been enjoyin' very poor health for some time, but this mornin' I heard him complainin' about feelin' better."

And so it is in the business of fire underwriting, for we apparently delight in the poor state of health of many of the companies, and complain when the dark clouds commence to lift, and we are, as a consequence, deprived of an opportunity to express our pessimistic views.

The quotation from Mr. Gallagher's sermon, together with the statement of a gentleman well known to you all, should I mention his name, to the effect that my paper was impossible, inasmuch as there was no Bright Side to the insurance business, led me to forsake the idea of an instructive or statistical paper, and to throw myself on the mercy of the Association with a few light remarks.

The business of fire underwriting has been carried on for more than two hundred years, constantly enlarging in extent and scope, until, like the banking business, it has become one of the distinctive features of modern commercial society, and a factor that can no more be wiped off the face of the earth than can the telegraph, telephone or the railways.

Perhaps the most valuable and noteworthy advance recently made by the fire insurance companies is the adoption and the putting into practical effect of the Mercantile Schedule System of ratings. New York City has recently undergone such a house-cleaning as has never before been known. The warmest friends of the plan, conceived by one of our foremost underwriters, did not dream of the practical benefits, both to the companies and the public at large, that are now seen on every hand in New York.

The radical objection to flat ratings has always been the failure to properly discriminate between the new and old plans of construction, exposure and inherent hazard of risks. The Mercantile Schedule, I believe, is as nearly fair in its ratings as our present knowledge of the necessities of the business will permit of. This system of rating takes into account many defects and penalizes some of these faults by flat condition charges.

The great army of New York brokers, and there are some four thousand of them, are ever alert for advantages to their own or prospective customers, and are most diligent in securing corrections of faults and subsequent reductions in rates. The results of the system are shown in the very much decreased loss ratio in New York City for the last six months, in contrast to any previous like period of time, and the situation, in consequence, seems to have a very Bright Side.

The insurance business is not on its deathbed, as many would have us believe, and it is not going to the demnation bow-wows for lack of managerial ability, or lack of faith in the turn of the loss tide. Not in years has the time been more ripe for the purifying of the classification of the business on the books, or for the securing and maintenance of adequate and just rates. for which the withdrawal and re-

insurance of so many companies, and the period of heavy losses we have recently passed through, the market has become restricted and the insuring public have now commenced to realize that the companies are not the high-handed robbers they have been so long prone to believe; and that for indemnity that indemnifies they must expect to pay living rates.

I believe that the day of the "Wildcat" Company is at an end, and it was not so long ago that I came across a policy in the city of Omaha given the assured by some New York broker and issued by a company in Athens, Greece. I have never been able to trace the policy to its lair, for I can find no record of the existence of the company, and yet, the Bright Side of the situation appealed to me most forcibly, and I could but wish that some of our irritable loss claimants, whose books are carelessly, but conveniently, left on top of the safe the night of the fire, might be transported to the land where that policy first saw the light of day, for in Greece, as you are undoubtedly aware, when a fire occurs, the owner or tenant is marched off to jail, to remain in durance vile until his innocence is proven.

Speaking of loss claimants reminds me that there is given a Bright Side to Conflagrations. Why is it that every time a disaster of this nature appears in the newspapers the pessimist immediately predicts untold calamity to the business of fire underwriting in general? I honestly believe that conflagrations are, in a measure, beneficial both to the insured city and to the insurance companies. Do they not promote business and induce those who do not carry indemnity to insure? Why, in this city, Chicago, with its wealth of magnificent buildings, immense population and its beauty from an architectural standpoint, do you believe that such a city could exist but for the one hundred and sixty-five millions of dollars that was wiped out of existence by the fire of 1871? You might, perhaps, have had as great a city, for its location stamps it as a commercial center, but would it not have been cramped and ill-looking, with many old-fashioned buildings and dilapidated structures, whereas you now rarely see such a building, and then it is generally pointed out as a landmark.

Assuming that a conflagration benefits a city, so does it benefit the insurance companies. Following the fire we note the improvements in the construction of buildings, streets, water mains and fire apparatus; the study for protection and the careful elimination of the fire hazard. The public has been given a practical demonstration of the fact that insurance companies must anticipate conflagrations and provide for such contingencies, and the more intelligent of the insuring public realize that we are not unreasonable in our present demand for adequate rates, which will produce sufficient premiums to pay for the hazard and liability assumed, and then leave a moderate margin of profit on the capital invested.

Without these great fires we find a gradual lowering of the rates, and a steady and systematic fight against the companies; not only by the Legislatures, but by the insuring public, and, I am sorry to say, by a few of the agents of the companies, so that slowly but surely the underwriters' profits vanish from sight; as it is a well-known fact that it is the heavy, steady drain of small losses that wipe the companies out of existence; not always the conflagrations.

The situation is not as dark as it might be. Why should we assemble and hold melancholy meetings, clad only in sack-cloth and ashes, while the bankers, the life insurance men and the telephone people hold their conventions and speak only of the Bright Side of their prospects? Are we the only business men in the United States who are not onto our jobs? Not by a good deal. We are as happy and cheerful as the best of them. We realize the situation and the many complications of the business, but we also appreciate the great possibilities of our chosen profession, and there is no time for weeping and wailing.

There is no time for the pessimist. We need and we have with us the optimist, and the optimist is the fellow who will win out.

If some of the authorized companies were insolvent and could not pay their obligations, it would be different. This business is large and widely extended, covering the poor man's cottage, the skyscrapers, railroad property, and nearly everything inflammable, and yet, with liabilities in force of over twenty-one billions of dollars in this country alone, the companies paid out over one hundred and thirty millions in losses during the year 1900, and paid dollar for dollar, besides paying for the property burned in Ottawa, Canada. The honest and just claims were paid promptly, cheerfully, and without hesitation, as they always have and always will be.

A great, responsible and honorable business in the United States is the banking business, yet we hear of banks closing their doors after an examination and of the paying to depositors of only small percentages of the bank's obligations, and then only after some delay.

With the failure of a bank, the public is invariably made to suffer, while in our business the weaker company is usually taken care of by the stronger, and though the stockholders may lose, the policy-holder is paid, the public does not suffer, and we are given another illustration of the Bright Side of the business.

The Special Agent; he who is the subject of criticism at all times, and at whose door numerous troubles are laid, deserves mention, if only by a few words. I have heard of this fellow; of his hard and rocky road through life; of how he is obliged to stand duck-fashion, first on one foot and then on the other; of how, when a mistake is made, he is always the scape-goat; how, when a risk burns, he is always to blame. I have heard that the poor fellow is not even permitted to make a mistake; that he is driven from pillar to post collecting balances, adjusting losses and working day and night; pouring over books and figures until long past midnight, and then being, perhaps, obliged to get up before dawn in order to reach an early train.

A good many special agents pity themselves, and yet they invariably find a Bright Side to their lives. He surely sees a Bright Side every time his salary is raised, and the more frequent the raise, the more frequent becomes the manifestations. He experiences more thrills of joy, I believe, than any other man in the insurance business. He never has anything to worry over, as he draws his salary and expenses as regularly as he takes his meals. In troublesome times he stirs up the animals, and encourages them to the brink of extermination. From the vantage ground of middle man, he sees on one side of him the Local Agent and starvation; on the other side, the

Manager or General Agent and damnation. But when the smoke of battle has cleared away, you will see him smiling as he puffs his two-for-a-quarter cigar; perhaps, as the late Billy Baxter would say, a cigar that looks as though it had skin disease and smells like shoeing a horse.

It is the pessimistic Special Agent; the one who deplores the great fire waste; the ruinous reduction in rates; the fierce competition; the unjust taxation; the obnoxious laws, and everything in general—he is the one who has much to do with the situation when it becomes far from bright. He is sympathetic with the Local Agent; he sides with him in his complaints, and he is constantly casting about for a chance to secure a lower rate or a change of form beneficial to the assured, but detrimental to the company; so, he winds up by bringing chaos about his head, and then wonders why it is.

I know of at least one Special Agent who is an optimist. He sometimes visits high-grass towns; but he has such faith in human nature that he really believes all IS gold that glitters, as I have known him to read a very exhaustive paper on the subject of "Gold Bricks."

As an illustration of his looking on the Bright Side of things, I want to mention a little incident that occurred in the State of Missouri. It seems that our friend arrived in a high-grass town, put up at a high-grass hotel and after a hard day's work inspecting the many risks in that high-grass city of five hundred souls, he bethought himself of the fact that it was time for dinner. He had just left Kansas City and the Baltimore Hotel, so he was in no mood to partake of "Roast beef, corned beef, beef heart and pork and beans. What'll you have to drink, tea or coffee?" so he simply glanced at Her Highness, the waitress, and quietly asked for a dish of ice cream. As he was a good-looking chap, the girl was anxious to please, so she leaned over, and in a confidential whisper said: "We haven't any ice cream to-day, Mr. Townley, but we have some real nice white navy beans."

Somewhere I once read, or someone once said to me, "Do not look for trouble or discouragement in your work; bring sunshine into your business; let its rays light the work you have to do." It is a truth, though an unfortunate one, that some people have such a liking for trouble that they cannot enjoy eating honey for thinking of what might have happened if the bee had stung 'em.

We can all look back and see a path that, at its commencement, seemed narrow and hard to tread, and yet, it has widened year by year, as we have broadened in our experience and wisdom. We look ahead and can see possibilities without end, and a business that is as fascinating to a student of insurance as the study of the electrical hazard is to the wizard Edison. While we cannot penetrate the destinies of the future; yet, the incentive to push forward is strong within us, for we are all striving for advancement in our chosen and honorable profession.

Be cheerful, then; cultivate the spirit of good-fellowship; let your light so shine that you will not know the meaning of discouragement or failure.

Don't knock; and if, when you are tired, when losses have gone wrong and the worries of the day seem to make you ill-tempered or

pessimistic, just cheer up, and remember that every dark cloud has a Bright Side.

The President—

I would be glad to hear some discussion on this paper.

(No response.)

The President—

We have finished our program for this afternoon and if there is no discussion we will adjourn till to-morrow morning at 9:30 o'clock.

Whereupon an adjournment was taken to 9:30 o'clock A. M., September 26th, 1901.

SECOND DAY.

MORNING SESSION.

THURSDAY, September 26, 1901.

President McGregor called the Convention to order at 10 o'clock A. M., saying:

I will ask if the Committee on the President's Address is ready to report, Mr. Eddy, chairman.

Mr. Eddy—

Mr. President, the Committee is ready, if you are prepared to receive it now.

The President—

We will be very glad to receive it now, Mr. Eddy.

Whereupon Mr. Eddy, Chairman of the Committee to whom was referred the President's Address, read the following report:

REPORT OF COMMITTEE ON PRESIDENT'S ADDRESS.

Mr. Eddy—

Your Committee, to whom was referred for consideration the President's Address, respectfully beg leave to report that the only recommendation in the address pertains to the selection of a Library Committee, and, to carry out the suggestion, we recommend that Section 22 of the By-laws be amended by the substitution of the word "Association" for the word "Board" in the third line, so that the entire section as amended will read:

"The Board of Directors shall appoint, at the beginning of their term, a Library Committee consisting of three members of the Association who shall be residents of the city of Chicago, who shall have special charge of the Library and library property of the Association. Such Library Committee shall appoint a suitable person as Librarian and Custodian of the Library and other property."

To comply with Section 35 of the By-laws, we respectfully present the foregoing resolution and ask that it lay over until the next regular meeting for adoption under the rule.

H. C. EDDY.

JOHN P. HUBBLE.

JOHN MARSHALL JR.

J. M. RICHARDS.

R. L. RAYNOLDS.

The President—

Gentlemen, you have heard the report of this Committee, carrying with it an amendment to the By-laws, which, under our rules, can not be accepted now, but must be laid over to be acted on finally at the next meeting, a year hence.

A member moved that the report of the Committee be accepted, which motion was duly seconded.

The President—

Moved and seconded that the report and recommendation of the Committee be accepted. Are there any remarks? If not, all those in favor of the motion will signify it by saying Aye, contrary No. It is carried and will take such course.

Is the Committee on Nomination of Directors for the ensuing year ready to report, F. H. McElhone, chairman?

(There was no response.)

The Committee evidently is not ready.

Last year we had a paper on "The Influence of the Adjuster upon Underwriting," which was very ably delivered, and was discussed at some length. This year I have asked that one of the leading adjusters of the Western States give us a paper somewhat along the same lines from his point of view, and we will have pleasure in listening to Mr. W. J. Greer, of Milwaukee, Wisconsin, who will talk on "Adjustments and Public Opinion."

ADJUSTMENTS AND PUBLIC OPINION.

Mr. W. J. Greer—

MR. PRESIDENT AND GENTLEMEN OF THE FIRE UNDERWRITERS' ASSOCIATION OF THE NORTHWEST:

It is with pardonable pride that the fire underwriter may look upon the present state of development of the resources of this country, the financial and commercial progress of the past decades, and reflect upon the prominent part his chosen profession has had in it. That fire insurance, from its inception a powerful factor in that wonderful progress and development, has long since become a positive essential in the transaction of business, has been fully recognized by the public. They have learned to rely upon the principles of underwriting as the basis of commercial credit and the mainstay of enterprise, and, only when reinforced by the insurance contract, are values considered valuable, or security conceded to secure, and thus the lender lends, and borrowers borrow, that buyers may buy and sellers sell.

But why, asks the underwriter, does not the confidence and good will of the public follow their patronage? If the people universally turn to indemnity, as a necessity in the conduct of business, what is the cause of antagonism between these two, who should be friends, not enemies?

To a lack of knowledge, on the part of the people, of the aims and purposes of fire underwriting, has been attributed responsibility for their attitude, and much has been said and written in support of the view that education will remove the cause and destroy the effect. Beyond doubt, this is, in a large measure, true, as it is no more than stating the truth, to say that ninety per cent. of the people who criticise our business know nothing of the subject, but are simply playing "echo" to some equally well informed "philosopher" whose oratory flows in exact proportion to the insurable value of the property he "don't" own.

Wherever you find an honest man who does his own insurance thinking, and who has given even the most meager attention to the principles of underwriting, has simply glanced at "debit" and "credit," or particularly if he has attempted a microscopical search for underwriting profit, take him by the hand; he is a friend of fire insurance, and, in case of loss, invariably a man of whom the Adjuster delights to report "fair and honorable in all his claims and satisfied with the adjustment."

One cause of dissatisfaction has lain in the fact that there is, in every man, a degree, pronounced or otherwise, of conservatism, which impels him to consider the price. We buy and sell bacon, flour or sugar, and the consumer pays the established price cheerfully. Why? For the one reason that he knows what bacon, and flour, or sugar are worth. He knows something of the cost of production. His discernment tells him whether the margin of profit is reasonable or excessive, and whatever may be said of human selfishness, those men are scarce who, whether they admit it or not, do not, at least within themselves, concede to all the right to a fair return. It is but one of the evidences of advancement, that the underwriter has recognized that the public have a right to know what it costs to make and sell indemnity.

It has been the subject of frequent remark that business men give little thought to the subject of what the contract means, or the mutual obligations imposed, but simply "carry insurance," but the underwriter who will analyze present conditions, must observe that the public are gradually awakening to a realization that they have an interest in the success of underwriting, where legitimately conducted, and it is to-day a fact, that a large proportion of the business men, the large owners of property and men of affairs in this country are displaying a disposition to look into the subject of fire insurance and a desire and intention to know of its purposes and workings. Day by day their impressions are formed less upon "borrowed" opinion. Fire underwriting is more and more brought before the bar of their own judgment. What the verdict will be depends upon fire underwriting itself. So shape the conduct of your business as to truly interpret the principles of fire underwriting and the education will be of the right kind.

But there are some people whom just bare education will not educate. In my early youth it was my questionable privilege to sit under a pedagogue of the old school, who worked from the theory that the way to educate a boy was to "pound" it in. Our judgment of his method was more or less warped by prejudice, but we had to admit he got results, and, like he, we thought it was being "pounded" in, but in the calmer environment of later years, I can see that all he did

was to "stimulate" a desire to learn. Even he never "pounded" a jot of education into a boy who would not learn, and "the child is father of the man." We believe the principles of our profession, wherever understood, should win appreciation, but there is a certain proportion of the human family, who have annexed unto themselves (I believe it to be an acquired taste) a prejudice against all property interests. This, it is true, they outgrow as their "rating" increases at "Bradstreet's," but in most cases they furnish the recruits to that school of thought where "corporations" are denied the right of existence and are declared to be an infringement upon the rights of the people.

Education will reach the mass of the people, but the underwriter will still encounter a share of the capricious hostility, which we know does exist toward all commercial corporations.

This was to be a paper bearing upon the relation of Adjustments to Public Opinion, and lest it be suspected we stray from the subject, let me suggest that I seek to make the point that the kind of education which counts for most, in promoting harmony between the public and the underwriter, is that which occurs before the loss, rather than after. If a man has for years looked upon fire insurance as an institution of mystery, and Adjusters as unworthy of confidence, his attitude and claim will be warped to conform. Many an honest citizen, respected in his community for uprightness, has started to adjust his loss "backwards," because he has heard his neighbor say, or has otherwise acquired the notion, that the companies are unfair, and Adjusters their cunning emissaries. Not a little of the so-called "friction" in adjustments can be traced to this erroneous idea.

That adjustments, however, do exert a permanent influence upon Public Opinion, is as undeniably true as it is natural. The occurrence of a fire loss is a "mile-post" in the business career of every honest man, and in the process of adjustment, that man must form impressions, either favorable or otherwise, which will ever control his judgment of companies, individually and collectively, and of underwriting as an institution.

"You never know people until you live with them," says the old adage, and if I may add a word to so venerable and trite a saying, I would offer the opinion that you come pretty near it in adjusting a loss. All the character in a man comes to the surface. If he is fair there, he will be fair anywhere. If nature made him so that he wants just a shade the best of it, or won't trade, the Adjuster makes the discovery early in the proceedings. If by inclination he is dishonest, "out-croppings" are likely to appear before proofs are signed.

Many men are honest, some scrupulously so, — because it is honesty, — others just barely so, because it is the best policy, while others are of varying degree between the two. Degree and motives vary, but the majority of men are honest; are prepared to grant a "square deal," and expect the same in return, but, by a law of nature, men differ in their conception of things, and thus it is that not all honest men are fair, and we find it sometimes regarded that the only "square deal" is the one that "squares" with our rule, but we do know to a fixed certainty that an honest man is open to conviction. It may prove, as it certainly does, more difficult to reverse the judgment of one man than is the case with another, but the honest man has never yet been born

who is not open to conviction when brought face to face with the right.

It is the duty of an Adjuster to determine the true amount of a loss within the terms of a contract between the assured and the company. His first duty is to the company. He should work from the view that he is there to protect the rights of his principal, and his conduct throughout all negotiation should be framed from that standpoint, and none other, but if there dwells within that Adjuster the desire to so accomplish that end, as to add another honest man to the friends of his company, and of underwriting, then he has grasped the highest conception of his duty.

In one way only is this result attained. Win your claimant's confidence. It has been said that ability to handle men is an essential qualification. Do not lay too much stress on mere "handling" of men. Lead men to see that you are actuated only by a desire to properly protect your company's interest; then so conduct your share of the transaction, as to merit confidence and respect, and men will "handle" themselves.

To learn, then, to obtain the confidence and respect of claimants, should legitimately be, not only the aim, but the yearning desire of every Adjuster, and he who treasures the indomitable purpose to learn that secret, and learns it well, is the Adjuster who will achieve the highest distinction in his profession.

The first thought which comes to us is that the confidence of a claimant comes only through fair and honorable dealing, as certain it is that no claimant ever reposed the slightest confidence in an Adjuster whom he did not first believe to be fair; but there are men whose confidence will not be won by mere fairness alone, and this becomes more and more pronounced a truth as time goes on. As the stalwart business man comes to know more and more of the principles of fire underwriting, will he observe that when he paid the premium he bought fairness and paid for honorable dealing, and just in the degree that he is himself true to instincts of honor will he demand fairness in the company's representative, not as a matter of favor, but as his right and your duty. Such a man may gratefully acknowledge the Adjuster's fairness, but you are there to settle a loss, to meet claims put forward backed by all the fervor of honest conviction, and if excessive, it is your duty to know it, to show him where, to point out the inaccuracies, to take your position and win your claimant to meet you where the right is, and, if you would succeed in the measure you hope for, you want more than his mere admission that you mean to be fair. If you are equipped to show such a man that you know what values are; that you have a knowledge of the line of goods he sells, or the class of property involved; that you know what a fire damage is, then, irrespective of what may have been his first impression, he now believes in you; you have commanded his respect for the value of your judgment, and confidence flows to you as naturally as water runs down hill.

Progress is the demand of the times. All lines of commercial activity are marching onward to greater things. The more a merchant or manufacturer becomes master of the detail of his own business, the greater will be his demand upon that Adjuster, who would depend upon the value of his judgment, to win for him the confidence of such a man. The lesson is obvious. The Adjuster must keep pace

with the times. He should realize that the extent of his usefulness is determined by the value of his judgment, and remember, that however great may be his achievement, he can never know half enough.

Recorded in memory only, upon the records of this Association, are the names of men who attained to the ideal as Adjusters. They passed beyond the River, mourned not alone by the members of this body, not alone by their associates, but by innumerable friends whom they met and won in the adjustment of fire losses. Those men were not only fair and honorable in their dealings with the public; they were more. They knew what a loss was, and that fact stamped a value upon their judgment, which forced conviction, and won the confidence and friendship of those with whom they came in contact. If their memory is an inspiration, then look for the secret of their strength; you will find it laid in the fact that they were not content to be regarded as merely fair, but had learned to "command" the confidence of the people.

But unfortunately there is another side. There are people who are not open to conviction, whom neither fairness, nor knowledge, nor honorable treatment will appeal to, and who never can be educated to appreciate that the fire insurance contract is one of mutual obligation. In an adjustment, their every thought and act springs from a purpose, that, irrespective of means or methods, they will extract every dollar that circumstances may render possible.

This is a condition which more or less must always exist, and these people must be dealt with and their extortionate claims met. The Adjuster who would protect his company against imposition, has need of a knowledge of values and judgment as to the amount of a loss, here as nowhere else, and is required, more than ever, to know where right ends and wrong begins.

It is from this class of claims that much of the adverse criticism of adjustments emanates, but is none the less the duty of the Adjuster, here as in all cases, to determine where the right is and set his course by that star. If he is entrenched in his position by a knowledge that he is right, and shall have discharged all the obligations of honor, and still naught but adverse criticism results, let him accept it as a vastly greater compliment than commendation. It will be some consolation to reflect that this man's measure was taken by Public Opinion in his community, long before the loss occurred, and while outward sympathy may find expression, yet the honest people know who is right.

It is sometimes urged that expediency dictates this or that. It is an accepted principle that the assured — the sufferer — is entitled to the benefit of the doubt, and few adjustments occur where this principle is not given more or less prominence. It is a question in my mind whether there is any expediency beyond this point. If by a display of stubbornness, a claimant may extort an unreasonably excessive settlement, what shall be said to his honest neighbor who has asked and received but a hundred cents on the dollar? If that neighbor be honest, says one, it makes no difference what other people may accomplish by dishonesty. True, but there are degrees of honesty, and I question whether human nature does not, in that transaction, find a temptation to doubt whether honesty is the best policy, or virtue really does bring its own reward.

Adjusters! remember you can not expect to convince a claimant of a proposition of which you have not first convinced yourself. Do not forget that the claimant is your agent's customer, and in many cases his intimate friend. You want the confidence of that agent, just as you do that of the assured. It is a duty you owe him, that your judgment of his client and the claim shall not merely reflect your own prejudices. Have a reason for your conclusions, and you will have the support of all good agents.

Agents! when your customer complains of the Adjuster, suspend judgment. Adjusters will make mistakes as long as they are made of human clay, but if you find your client wrong and the Adjuster right, be at least neutral and do not throw the weight of your influence against the Adjuster, but remember that both of you are earning your bread in this business, the true principles of which it is the privilege of each to promote.

Public Opinion will take care of itself if the Adjuster will adhere to a spirit of broad-minded fairness, never losing sight of the fact that it is his duty; his duty to the company; his duty to the public; his duty to himself, to know what a loss is, and above and beyond all, to know why he knows, and will then stand for the old Spartan principle, "that which is just is equal—that which is equal is just."

The President—

Gentlemen, Mr. Greer's very able paper certainly deserves and demands some discussion at our hands. We have here a great many men who have had great experience in adjusting fire losses, and we want to hear from some of them. We would like very much to hear from Mr. H. H. Friedley on Mr. Greer's paper.

Mr. H. H. Friedley—

MR. PRESIDENT: I am glad to avail myself of the privilege of emphasizing one or two points in the most excellent address to which we have just listened. It has been my pleasure to adjust losses with Mr. Greer and I know how honestly and faithfully he works for the interest of the company, having in mind at all times the rights of all parties.

I think I am safe in saying that the majority of the men present in this hall have had more or less experience in the adjustment of losses. This taken for granted, I need not, in the short time that I will take, attempt to name but two avenues through which managers and loss clerks could greatly aid in arresting Public Opinion against the Adjuster and turning it in favor of him and his company, when needed under most trying circumstances.

One of these difficulties we find in the policy forms upon which the policy contract is written. There is no commercial business or enterprise that is traduced and imposed upon like the business of fire underwriting. To illustrate: if a salesman employed by our good friend, Marshall Field, was to quote to a purchaser the price of a yard of cloth, to which this purchaser should agree, and then this same salesman should afterwards conspire with this same purchaser to deliver a yard and a quarter or more for this money paid for the yard, I apprehend that either the clerk would not hold his position

any length of time, or that Mr. Field would not at the end of the season count up very much net surplus. Doubtless you would find both the purchaser and the salesman working together to create a Public Opinion upon which they could fall back for approval.

Again, if Armour & Co., or Swift & Co., or our good friends the Dold Packing Company, should send out a salesman to sell 1000 lbs. of hams, and after the price was agreed upon and then after the sale was made, an effort would be made upon the part of this salesman and the purchaser for the delivery of the sides and shoulders, or perhaps the whole hog, I think the principals would object; but in case of a fire loss, the only noise heard in such a transaction would be the bewailing squeal of the Adjuster, who would have neither the support of the broker or agents or the assured, nor even Public Opinion, in his efforts to properly adjust the loss under the contract. It is no new thing for the Adjuster to find the policy contract drawn entirely in favor of the assured. Every avenue of escape for the company is closed; every cunningly devised scheme that can be thought of by the agent, or the broker controlling the line, that would in any way benefit his patron, is put in the policy form and consented to by the company; and then, after the fire and the adjustment is to be made, this same agent and broker, interested only in behalf of the assured, attempt from the very moment the fire is reported to create a Public Opinion in behalf of the assured. The Adjuster often is expected to have but little to do except to fall in and pay out his company's money or invite adverse public criticism, so much feared by the companies.

They now draw irregular policy forms so as to either cover or exclude everything on earth that may benefit the assured in any way. Why, a few days ago when the Adjusters met at the Dold Packing Co. loss — a risk that was not especially sought after by the companies, and which was declined by many, we found the policy form provided that the assured should be excused from the application of the 80 per cent. co-insurance clause, if the loss did *not exceed* 5 per cent., and in the same fine print was a further provision that if the loss *exceeded* 80 per cent., *then* the clause should not be applicable. Now, for the result: As stated before, this risk was not sought after by underwriters for reasons well known to men in this room. Any company, whether responsible or not, could have had any sized line it wanted on this risk. The assured was scouring the earth for insurance. Yet the companies that did write this wrote it with this most vicious form. The result: On Warehouse "D" a sound value of \$300,000 was found. All the insurance that the parties was able to procure amounted in round figures to \$120,000. With the 80 per cent. regularly applied, this would have required them to carry \$240,000 insurance. If this had been the case, the companies would have been entitled to one half of the salvage taken from this wreck. Under ordinary circumstances, if the fire had occurred in the winter time, or in any reasonably cool weather, there should have been at least \$50,000 to \$60,000 saved on this wrecked warehouse stock. As stated, if the regular 80 per cent. co-insurance clause had been applied, then the companies would have received in return one-half of whatever net salvage there was, which would have been a considerable credit on a loss statement, and would have saved an amount equal to many, many premiums. What excuse was there for such a form as this? What reason can companies give

for making such contracts? Nothing except that the broker desired it. If policies are written upon such forms on business that is not especially desirable, to what length will companies go on good business?

In years gone by, household furniture forms were written with specific amounts covering on musical instruments and perhaps other special articles. I do not know what statistics show, but I venture the assertion that if the records of the companies were critically examined, and this class of business was brought to a severe test, it would be found that there is little or no profit therein, yet the companies have vied with each other in making blanket forms, until they have virtually covered every article of property that might be owned by the assured, and are now going further and including the property of a guest who may be temporarily under assured's roof. This guest never paid the company anything for this protection. He is there at the bounty of the assured, and why should the company go so far as to extend the courtesies of the protection of the policy to cover the property of this guest? It has not been long since an Adjuster was called upon to adjust a loss in which, had it not been for this guest's property, the loss to the company would have been only a few dollars, yet the protection extended to this guest made almost a total loss, and another case in which, if the guests' loss had been paid them, there would have been nothing left for the assured.

In Milwaukee, which is not only an "excepted city," but an exceptional city, when it comes to vicious policy forms, I learned a few days ago of a case where an agent, in order to include something that never was thought of by his rival, and so that every species of property might be covered, after specifically naming everything that he could think of, added: "and all other property of the assured while contained in said dwelling." A little fire occurred; the smoke went into the attic. The owner was a fancier of chickens, and had a few choice ones there for safe keeping, and when the claim came in it included the following item:

"To three roosters.....\$75.00,"
all under a household furniture policy. The dying squawk of these chickens may have waked up the daily report clerk, and possibly disturbed the dreams of the manager, but the only effect it had upon the local agent was to stimulate him to renewed efforts to find something new that he could include in the next form that no rival agent had ever thought of before. There was no equity in paying for these chickens, for the company never contemplated such a liability, but the form of contract was such that both Public Opinion and the courts would have compelled its enforcement. Don't you think it is about time for managers to realize that the Adjuster, in reaching this Public Opinion, needs not only their help at the time of the fire, but he most certainly needs their assistance at the time the policy form is offered by the Local Agent?

Again, (Mr. President (I fear I am already taking too much time), there is another serious matter that should be brought to the attention of the managers and loss departments. I refer to the fact that they often think more of the little expense that is incurred in the adjustment than they do of the amount paid on the loss, and in their anxiety

to avoid this expense, will very often send their papers and necessary blanks to the Local Agent, with either the request that he adjust for them or that he co-operate with any Adjuster or Adjusters that may appear upon the scene. Adjusters that attend such losses know something of the "co-operation" of these Local Agents. I do not mean any harm of them, but I do mean that their relation to the assured is such, being—if you please—indebted to them for their business, that they cannot look at a loss in the interest of the company. We know how often it is that if a meeting in a room at a hotel is held to devise means whereby the loss may be honestly adjusted and the assured paid every cent due him, with all these prejudices of Public Opinion against the companies, how our every act and every word goes to the assured. I am not saying that the Local Agent intentionally betrays confidence, but too often an unskilled Adjuster or Local Agent entrusted with the interest of his company, thinks that it is to his interest to advise the assured of every step that is taken. The result is that the company saves a few cents of expense on adjustment, the Adjuster is harassed and troubled, and the adjustment is made unpleasant. A conscientious Adjuster in charge of the vital interest of his company knows that the company has been imposed upon, and has been called upon to pay more than it should, simply because some company thought to save a few cents expense and by a false economy put its agent in a position to create a Public Opinion in favor of the assured. The Adjuster that goes to a loss finds a policy contract not made by him, but made by the parties under other circumstances, would be glad if that policy would fit the loss like the suit of clothes that a man pays his tailor for, but if he finds that it does not, he ought to be left without these hampering conditions of "co-operation," such as I have mentioned.

I recall a loss that occurred in a western state upon an old elevator. It was built beside a canal; the canal had been abandoned for twenty years and the elevator had not been used for twenty-five years. It was of no value whatever as an investment. Almost by accident the real estate upon which it stood came into the hands of a firm of wholesale grocers. They used it to some extent as an outside warehouse for storing salt and other cheap merchandise. The enterprising Local Agent solicited them for insurance on their wholesale stock. They told him that their line was full at that time, but they would give him some on this elevator. He went out and looked at it; saw that the roof was falling in; that the old building was about to tumble down. He concluded that it was a bitter pill for any one company to take a large dose; he therefore divided the line into small policies, none of them exceeding \$500, and asked each company, as a special favor, to carry this small policy, promising each a line on the wholesale stock. The whole insurance was \$3,000 on the building and \$1,000 on elevator machinery therein. I needn't tell you—you know the result. Well, when the poor, lone Adjuster for one company turned up on the adjustment, he found that the other seven companies had asked the Local Agent to "co-operate." Well, he did "co-operate!" He not only refused to go into an appraisal on the building, chiefly on the ground that each policy was small and would not be much to any of the companies that had a great amount of money as a surplus, but when it came to settle the machinery loss he claimed that

an old discarded coffee roaster, stored in the shed, was covered. "Didn't the coffee roaster in revolving elevate the coffee? and wasn't it, therefore, elevating machinery? Well I guess yes." What is more, this "co-operator" controlled the majority of the insurance, and a pretty strong Public Opinion was created there in behalf of paying a total loss on an elevator, elevating machinery, coffee roaster and all.

How long, oh, how long, will the companies continue to bear such unnecessary burdens, and how long will they pursue such methods that deplete their coffers of the money that properly belongs to their surplus?

I thank you, gentlemen, for your kind attention.

The President—

I like to see this discussion come out from the floor. I would like very much to hear from Mr. Cobban on this paper of Mr. Greer's.

Mr. Cobban—

MR. PRESIDENT AND GENTLEMEN: Just one point that I think has not been touched upon. The argument along the line of Public Opinion seems to be along the line of what our claimants will think of us after adjustment. We are making some half-hearted and sporadic efforts to educate the public on the subject of insurance and I think some of them are doing some hard thinking among themselves. The fundamental principle we are trying to get in their heads is that the cost of insurance ultimately falls on those who pay the insurance. Now, then, if that is true, isn't it possible that there are some who think to themselves, besides those who have losses themselves, for instance, that we pay more than a man is entitled to; and his neighbors confer together and say that we pay more than he is entitled to? They sometimes know more about it than we do. Isn't it possible that when the pinch of increased cost comes that they will find that they are paying for that excess payment? And won't they say to us, "You should think something about the outgo as well as something about the income?"

Now, I know of a positive case which might be mentioned where people were paying insurance and had been compelled to pay an increased rate. They said: "If so and so had not received more money than he was entitled to, and if there had not been more cases of that kind, this increased rate would not be necessary."

That is all I want to say, gentlemen. I think that the Public Opinion should be educated in this direction. I believe that a man who intelligently and in a gentlemanly way lives up to the letter and spirit of the contract in the adjustment of the loss, will not only merit, but will receive the approval of the public. I thank you, gentlemen.

(Applause.)

The President—

I should like to hear from any one else on this subject of Adjustment and Public Opinion. I like to draw out these discussions.

Mr. Hebgen—

MR. CHAIRMAN: Our friend Friedley has touched upon a very vulnerable point in the armor of insurance work, and I give him credit for coming out flat-footed. Some of us who have been in the insurance business for thirty-five years or more remember that there was a good deal more dignity in other times about the business. We did not have to submit to all demands that came from the local agent or assured, even if they did hold a gun to our breast and say, "We want this thing done so and so."

We have a business of our own. We sell this commodity, and we know a little something about it, but in the great greed for business they tumble over each other, and they all gather around and one wants everything and the others to have nothing. And that has brought about these conditions, and we all know it. Therefore, I make these remarks as short as possible. It is about time that the companies asserted themselves once more and came back to the dignity which they used to have in selling their goods and wares.

The President—

Gentlemen, it is very refreshing indeed, in these days of populistic legislators and state and national officials, to know that we have in the West one man at least who has so conducted his office that he has absolutely protected the interests of policy-holders committed to his care, and at the same time has been absolutely fair to the insurance companies. The gentleman I speak of has climbed the ladder of fame rapidly, and he is still climbing. He was yesterday elected President of the National Association of Insurance Commissioners of the United States, and I don't know of any office in the gift of the people of this broad land to which he may not attain. I have much pleasure in introducing to you Mr. W. H. Hart, of Indianapolis, State Auditor of Indiana, who will talk to us on "The Reciprocal Relation of the State in the Supervision of Fire Insurance."

Mr. Hart was received with a round of applause and addressed the Association as follows:

Mr. W. H. Hart—

MR. PRESIDENT: I thank you very much for your genial words of introduction, and I thank you and the members of the Fire Underwriters' Association of the Northwest for the privilege and for the pleasure of being with you to-day.

THE RECIPROCAL RELATION OF THE STATE IN THE SUPERVISION OF FIRE INSURANCE.

MR. PRESIDENT AND GENTLEMEN OF THE FIRE UNDERWRITERS' ASSOCIATION OF THE NORTHWEST:

What has been denominated as the "strenuous life" in the epochs culled from the busy activities of men of achievement is the pertinent

name that can be given to the experience of fire insurance underwriting in the United States at the present, and in fact, for five years previous, leading up to what has now many of the serious phases of a crisis. The time has already come when the concrete thought of a practical solution should be invoked, that a broad conference, supplemented with unity of action based on a "community of interest," shall be had, to the end that the sweep of disastrous conflagration may be checked and the irreparable financial losses saved from the besom of annihilation. The gruesome recital of increasing fire losses would be a twice-told tale in repetition! The marshaling of those historic conflagrations within the memory of this generation, commencing with Chicago as the file leader, and running year by year down the line to Jacksonville, would not the lurid conviction deeper make that you are confronted with a condition that must be met and mastered, rather than a theory that feeds and fattens on homeopathy? I contend it is a situation in which the state is vitally interested from the many-sided standpoints that touch the protection of material progress and values, and which should certainly seek to surround a legitimate and necessarily hazardous interest with its strong arm of potential defense. The mountain of ashes that is the yearly monument to mark the nation's half million of daily fire losses is all that is tangible of this appalling record of conflagration; for no matter what may be the measure of indemnity in dollars, the values that curl upward in smoke and flame perish from the tax duplicates of the commonwealth forever. There should be the most generous reciprocity upon the part of the state toward fire underwriting, instead of studied statutes looking to hard conditions and grinding exactions. In some of the commonwealths of the republic there are already fears of a partial paralysis of the business of underwriting in solvent and conservative companies, because of legislation founded upon prejudice and taxation that apparently classes insurance as a lottery. I quote from the Southeastern Underwriter as to the situation in some of the states. After flying the red flag of danger to the business interests of the South because of the effects of adverse legislation, and which as a natural result has caused the withdrawal of so many companies, it says: "Should the same percentage of companies withdraw and retire as has in the past six months, inside of eighteen months it will be well nigh impossible to secure fire insurance in the smaller towns, or some of the large ones for that matter. The few companies that remain will write only such business as they care to, and at such rates as they have a mind to charge." Take the matter of municipal taxation: In Alabama, per company, it is \$1,372; in Georgia, \$818; in Virginia, \$1,045. Many of the towns and cities, in addition to a flat municipal license, place a percentage tax on gross premiums. In Macon, Georgia, companies are taxed \$50 per year, and one and a quarter tax on gross premiums. The companies that have retired from St. Louis this year represent \$42,000,000 of assets. Fifty-six companies have retired from Kansas, and one-ninth of the companies from Tennessee. It is not necessary to indicate the storm centers of adverse legislation that have marked a number of states in recent years. Business necessities, if not the enlightened judgment of the people, in the fullness of time must work a repeal of the extraordinary statutes of semi-piracy, and sheath

the crusader's sword dangling from the populist reformers. Without fire insurance business would be in a paralysis. If long continued, the effect of drastic legislation will be to breed "wild cats" and irresponsibles in the states affected, and to drive out organizations of character and capital. The strong arm of protection to the thousand and one industries and enterprises that can not be disassociated from the hazards of fire has its muscle and fibre in the great underwriting organizations of the republic that have weathered the colossal losses of the past and made it possible for a dozen cities of the Union, devastated by the most calamitous fires ever known, to rise Phoenix-like from their ashes and commence anew the onward and upward march to a greater prosperity following the wake of these disasters. Insurance enters into the warp and woof of business security in every hamlet, town and city of the Union. It is no longer state or sectional, but national! The present status of state supervision should be speedily succeeded by Federal supervision. The consensus of legal opinion probably sustains the judicial conclusion that insurance, most intimate and important adjunct as it is to the business and financial interests of all the people of the republic, is orphaned from any claim upon the United States. It cannot even creep under the interstate commerce tent, as do those lesser national utilities, the railroads, but must be a football of fortune, kicked from pillar to post, in the forty-five sovereign principalities, within whose gates it runs the gamut of kaleidoscopic requirement, generally living, moving and having its being in a fever and ague of tremor and anxiety, solicitous as to the imposts and rulings that mark the fertility of diversified statutes incident to the system of state control. I unhesitatingly pronounce the present variegated systems that go to make up the state supervision of insurance as cumbersome, unjust, illogical and an incubus; a crazy-quilt equally as different in statutory design as was Babel in confusion of tongues, and before fire underwriting can free itself from the embarrassments that are increasing year by year, there must either be some constitutional method of Federal control enacted, or else uniformity in the statutes and requirements of all the states, supplemented by a repeal of unjust laws and a sponging out of unjust taxation and departmental tribute. The pendulum has been steadily swinging against insurance interests in many states, but I believe it has reached the limit of its tether, and must swing back again. The force and flame in Patrick Henry's eloquent appeals for independence from the mother country was in his impassioned confidence that education, the corner-stone of right and justice, would assure the republic's future, and so I believe that the exigencies of the present will be schoolmasters directing the conscience and thought of the people to the ultimate righting of these wrongs. As the insurance commissioner of a great and growing commonwealth, a state that has given conspicuous evidence of its patriotism, loyalty, progress and statesmanship, I plead for reform in insurance supervision so long as it may be exercised by states, to the end that so far as possible the Atlas may be lifted from the shoulders of this burdened interest. The State should be something more than a child or the horse leech, forever crying, "Give, give." A commissioner should have duties other than those of sitting at the receipt of customs. There is a community of most intimate interest

between the citizenship of a state and its authorized insurance. The State should require absolute solvency, and exact what has been aptly termed the three C's—"Creed, Conscience and Character"—as a condition precedent to admission. It should require fidelity to contracts and the issuance of policies without ambiguity in conditions. It should place the standard of integrity on lofty levels and give the widest publicity as to the financial ability of admitted companies. The people of a state believe, and have a right to believe, that the licensing of a company is a certificate of confidence, and this is one reason why the anomaly exists that while insurance is probably the most important general business interest in the state, there is comparatively so little knowledge of it as a science. The time will come when insurance will be added to the curriculum of the standard business colleges. In fact, Chicago University at this time is seriously considering the addition of a four years' course in fire insurance. The State should co-operate in its reciprocal relation to fire insurance interests by enacting legislation against causes, carelessness and cussedness. Commendable progress has been made in several states by the enactment of fire-marshal laws, but the statutes should be enlarged, and the basic hazards of fire origin heroically covered by laws that in a much more comprehensive way will give to these the major sources of disaster and devastation, a fuller measure of prevention and prohibition. We should profit by the insurance legislation of Europe. The co-insurance principle in fire insurance, which has been outlawed in some states is arbitrarily applied to all policies issued in France, Belgium, Germany and Russia, and to floating policies in England. France has no anti-insurance laws whatever. It has the lightest losses and the lowest rates. It has the Code Napoleon, which should be incorporated bodily as the Code American. Make it a portion of the forty-five state statutes of this country that every person shall be personally liable for any loss, damage or injury caused by his carelessness and add a presumption that the occupant of the house is negligent; boldly and justly enact that where a fire originates from a defect in a building the landlord is responsible to the tenant and to the owner of adjoining property, and you have practically dethroned the fire hazard as to the prolific source of carelessness. Instead of passing valued policy laws, which are only a premium on incendiarism, energize this misdirected effort by practical legislation that will strike at arson and "unknown" causes. There were 109,092 fires in the United States last year, with a loss of \$161,000,000. The principal causes were incendiarism, defective flues, sparks, spontaneous combustion, electric lights and wires, furnaces, lightning and friction in machinery. In Chicago alone there were fourteen incendiary fires, fifty-two supposedly so, fifty-three suspicious, and 1,542 from "unknown" causes; \$4,000,000 of losses were due to electricity. The fire-marshal report of 1900 for Massachusetts gives an analysis of the incendiary fires of that state, which shows that in staid old Boston nearly 3 per cent. of the fires were incendiary, and of these fifteen were set to obtain insurance, one of the parties having had two previous fires and one party one previous fire; six were set for revenge, four for some cause unknown, four from maliciousness, one to cover theft, one to obtain work, one was the result of pyromania, and one was set by boys to es-

cape from Rainford Island. Of the incendiary fires outside of Boston, fifty-seven were set for insurance, one person having had three previous fires, and eleven one previous fire; sixty-seven were set for some reason unknown; thirty-nine from maliciousness; twenty-five per cent. being Fourth of July fires; thirty-six for revenge; seventeen were set by insane people or were the result of pyromania; six were set to cover theft; five were the result of intoxication; one was set to obtain a new school building; one to call attention from another fire which had been set, and one by boys to escape from the reform school.

Massachusetts being the pioneer in the establishment of a fire-marshal bureau and having advanced legislation directly against the causes of fires, the result in that state prove there is almost a criminal responsibility resting in the halls of other state legislatures for the delay in not meeting this national emergency. Take the record of a decade, which shows that in concrete results incendiarism has been reduced 28½ per cent., with an increase of arrests and convictions from 500 to 1,000 per cent.; \$300,000 is saved the commonwealth annually and there is an average reduced fire waste of \$2,000,000 annually.

The fire-marshal's report shows that of the fires last year 3,690 were in wooden buildings, or 66 per cent. of the whole. There were 725 fires from incendiary and unknown causes outside of Boston, and an average burning of insured property value of 36 cents per \$100. And so in Ohio, with the experience of one year, the fire-marshal's report shows that there were 549 fires of a suspicious origin; investigation led to forty-three arrests and twenty indictments; six of the "fire bugs" were landed in the penitentiary, one in the insane asylum and one in the workhouse. In the ten years previous there had only been forty-one convictions of incendiaries, and in sixty of the eighty-eight counties not a single conviction in that time. The marshal says: "The relative proportion of fires caused by carelessness is much greater than that of fires resulting from any other cause. Many fires generally attributed to accident have been found upon investigation to be the result of carelessness, either direct or indirect; directly, from lack of care in handling explosives, matches, paints, ignitable oils, stoves, stove-pipes, hot ashes, etc., and indirectly by the carelessness of the architect, the builder, the landlord, the tenant, the electrician, the plumber, etc."

Of the 6,672 fires in Ohio, 1,560 were caused by carelessness, and of the six millions of losses resultant, \$1,320,331 were from fires of unknown and incendiary origin. Only four states have fire-marshal laws—Massachusetts, Maine, Maryland and Ohio—and I regret to say eight other states defeated the effort to enact these statutes. There are fire patrols and salvage corps in thirty cities. In my judgment there should not be a fire department without these adjuncts. They are essentially as necessary a part of the system as are the hose wagons, hydrants or water mains. These are co-operative agencies the state should provide, and the results prove beyond any sort of question that with all the states lined up in solid phalanx, the moral and physical hazards could be effectively reached and those elements of degeneracy and disaster largely overcome. The state is alert in dealing with all other hazards. Boards of health have autocratic powers. Let a measly microbe or a school of bacteria establish headquarters in your alley

or backyard, and before their business hours are on the trestle board, a detail of sundown doctors are camping on your trail with all sorts of mandamuses, armed with carbolic acid, red fire, and the other multiple agencies of death and disinfection to rid the community of these physical hazards of the dear people's good health. Your child afflicted with scarlatina, or your mother-in-law with varioloid, and the same posse comitatus drapes your front windows with red flannel letters advertising "danger," ostracise you from civilization, and righteously and sensibly deal with these hazards to life. The outgrowth of these scientific dealings with the health hazards is the practical elimination of disease based on malaria, contaminated water, lack of sewerage and dirt generally. Havana, under the sanitary laws of American enforcement, has reduced yellow fever to a minimum. Quinine, that in the West was as staple as "hog and hominy," has, because of the missionary efforts of tile ditching, almost disappeared from the active principle of the druggist's prescription case. The state recognized certain hazards as the causes of diseases and death, and in the exercise of its police powers attacked not only the branch, but the root of the evil. The fire waste has its microbes and its bacteria innumerable. Apply to fire causes the same heroic measure of legal power; deal with the fire situation relatively as boards of health are authorized to do with menaces to life, and you have made a score of Sabbath-day journeys toward not only a substantial prevention, but an approximate cure for the glaring evils of the present. I disapprove of taxing fire companies for the expense of fire-marshal bureaus. You could as justly tax life insurance companies for the cost accruing from the efforts of boards of health. The state should continue its reciprocal relation by eliminating politics from its fire-marshal and insurance departments. A fire-marshal and his executive force should be expert underwriters, men of positive qualities, and have a tenure based on merit; and so with the bureau of insurance. If the state is to be benefited by competent and expert service, then the more modern partisan politics you have the more demoralization, and inefficiency will ensue. It is an appropriate bureau for genuine civil service and strong executive ability.

The junketing commissions in their examination raids for revenue only should not only go, but be gotten rid of with a "bogardus kicker." The wholesale manner in which some state departments have pirated on insurance companies has been inspired by the plethoric perquisite, and intentionally so. The state should pay for all necessary examinations where an interchange between states of certificates of solvency based on expert investigations is not accepted. The amount of departmental taxes collected last year from all fire companies, domestic, foreign and mutuals, was \$5,040,415. The reports of 158 of these companies show an additional expense of \$56,198,325, and a net loss for the year of \$6, 277,994. The number of companies reinsured, failed or retired, 22; their capital, \$3,200,000; assets, \$11,466,570; net surplus, \$2,647,575; premium income, 1900, \$6,693,107; net amount at risk of these companies, \$825,597,584. Is it not a "jug-handle," all-on-one-side reciprocity that collects, when we add the franchise taxes, practically what the losses are? Is it not time for the business public to call a halt on this tribute exacted by the state unless legislation can be uniformly framed

that will deal with the fire hazard from the many standpoints of personal responsibility for carelessness, building construction, control of explosives and incendiarism? The fire loss in 1890 was \$108,993,792; in 1900, \$160,929,805; and the fire loss in that period of ten years was equal to the present volume of the national debt. The great conflagrations of history originated from a carelessness that was criminal. The kick of Mrs. O'Leary's cow planted a fifty-cent lantern of kerosene in a stable of combustibles, resulting in the Chicago fire and a \$200,000,000 loss. A small boy, a Fourth-of-July fire-cracker, and Portland in ashes. The dilemma confronts the insurer, and it is up to the legislatures of the different states for a substantial and potential relief that can only come from judicious legislation. Fire insurance is costing too much. It will go to a figure almost prohibitive unless legislation faces about and deals heroically with fire hazards. In the countries of the old world with drastic legislation of this character rates are low, because losses are meager. Rates are not the arbitrary dictum of insurance boards, but are determined by the hazards and the public fire protection. Fire insurance through its medium of premiums collected and loss distribution every year is increasing its mission of bridging a chasm between the commercial interests of the country and ruin. It is the reliant right arm of the artisan with his humble home, just as it is of the business enterprise involving an indemnity covering millions. It can never be a "trust" in the sense those gigantic and unholy combinations of capital are that seek to curtail production and stifle competition, because, like the avocation of farming, the very nature of its dealings antagonize the possibility of monopoly. Every paragraph of legislation laden with hard and unnatural conditions, with its penny of import or excise, is, to the extent of enactment, a burden the insuring public bears. Take the state with populist laws both as to statutes and taxation, and you find the losses heaviest and rate the highest, and per contra in the states where legislation has been against the fire hazard, the reverse result is gradually being experienced. In those states of severe conditions, from which companies are withdrawing, there will be a mushroom growth of "fly-by-the-night" companies that can only add to the losses of the public. The very crude experiment of mutual assessmentism has cost the country hundreds of thousands of dollars; alleged fire organizations will take the places evacuated by solvent and legitimate companies, with assets made of specious promises and settlements checked from such stuff as dreams are made of. There is a great deal of Colonel Sellars' optimism in most any assessment fire insurance company, but usually contact with hard conditions is as disastrous with the latter as was the financial outcome of most of the genial colonel's glittering schemes. Kipling's description of the launching of a vessel is apropos of the pyrotechnics surrounding the average amateur fire organizations that we all have in mind, either based on experience or ripened observation. Kipling well says: "It takes more than a christening to make a ship." It slides into the placid waters, is there laden and fitted for the test of actual conditions. Its nose touches the waves of the angry seas and it is tested from mast to hull as it plows over the white caps and bids defiance to the storm. It moves on, its mechanism and construction perfect, anchoring in safety; not an experiment, but a ship in its

majesty of perfection. And so with fire insurance companies, christening is not all. If it has the pilots, if it has integrity and solidity, if it has the essentials within itself to meet and master the problems of its mission, then, and only then, will it measure up to the merit of public confidence and be endowed with the assurance of a superb success.

I believe changed conditions can be accelerated through the pooling of issues by the underwriters of the nation. As Franklin said to the signers of the Declaration, "You must hang together, or else hang separately." The time has passed when any sort of material will shape itself into an insurance agent. Your representatives should have, as the Methodists require of their "amen-corner" members, "the spirit and the understanding" of the science of underwriting, to the end that more than "horse-sense" can be exercised in the initial judgment as to the environments that mark risks and the general business dealing with the public. You should get far and away from the idea that the class of men Pope speaks of as "all else is leather and prunello" can be metamorphosed or galvanized into insurance agents. Move your standard up a notch or two. Then, I think, you underwriters should become members of the Legislature, get into politics, within your own party lines, and instead of fighting "valued policy laws" with a lobby, have representatives of expert knowledge and experience that can battle in committee and on the floor this and kindred fallacies. Legislatures, as a body, want to do what is right. When it can be shown that the difference between premiums and losses in a county or state is not profit; that insurance deals with the country at large as to premiums, losses, hazards and ratings; that the expense element of near 40 per cent. can be curtailed very materially by legislation; that the aggregate of losses can be reduced by wholesome statutes against hazards; that this reduction of expenses and losses by legislation will reduce premiums, as it has in older countries, then the law books or the states will be written by the pen of justice rather than by demagogues full of prejudice and avarice. Twenty states in the last two years turned back the dial of justice and sought to enact valued policy laws. You could not do a wiser act than circulate the veto message of Governor Shaw of Iowa against the valued policy law of that state. Your agents should be able to talk "insurance" from a scientific standpoint, and be factors in the education of the public. You are dependent very largely on the legislation of the future, and you should base your efforts on getting the people en rapport with the unanswerable logic that seems to me from every standpoint is with your merits:

"Tenderhanded stroke the nettle,
And it grieves you for your pains;
Grasp it like a man of mettle,
And it soft as silk remains."

Believing as you do in the Christians' theology, you are at best flying in the face of manifest destiny, for the "day and hour no man knoweth" is facing every policy you write in the knowledge that this splendid planet is to be destroyed by fire, with a loss that will be total. Were you gifted as the fabled salamanders, your occupation will be added to that of Othello's. Burned Chicago, evolved from its ashes,

destined to be the commercial empress of the world, will forever be a monument kissing the skies to the integrity of fire insurance companies. With assets wiped from their ledgers by the severity of losses, these companies had representatives in this scourged metropolis before the flames had been quenched at Lincoln Park, proclaiming that policies would be paid in full, and stockholders went down into their pockets and redeemed those pledges. And so in all the other great conflagrations that have devastated the cities of the republic the honor of these great underwriting interests has come through unstained, and policy obligations paid. I plead here and everywhere for a supervision, whether state or federal, that will be uniform in statute and practice from sea to sea; for a living chance to American underwriters, that they may "follow the flag" and furnish the world's indemnity as our commercial prowess encircles the globe; for a recognition of duty to the people, and justice to this strong bulwark of public dependence, that will enact laws tending to curtail the hazards associated with this great utility rather than those of burden and embarrassment; for the creation of fire-marshal bureaus, non-partisan in management, that will have the executive enforcement of these statutes, and for a broader investigation by the law-makers of the republic of all laws dealing with the regulation of insurance in and between the states, to the end that right alone may be the guiding principle, for—

"Right is right, since God is God,
And right the day will win;
To doubt would be disloyalty,
To falter would be sin."

Mr. Eddy—

MR. PRESIDENT: I should be remiss in my duty as an individual member of this Association if I did not at once show my appreciation, at least, of this very valuable addition to the documents in the files of this Association. We are all indebted to Mr. Hart for one of the ablest papers we have ever had the privilege of hearing on this floor; and it should be the duty of this Association, so far as it can, to secure the widest circulation of that very valuable information so directly stating valuable facts which I never have seen more clearly collated, and which would be for our own benefit to have widely circulated.

Now, Mr. President, I think the action of this Association in former years has deprecated the circulation by the Association of individual papers, but I commend to the incoming Board of Directors the suggestion that there is a Committee on Dissemination of Information with which they might with profit converse, with a view of having this paper properly treated. In the meantime, Mr. President, I move that this Association tender to Mr. Hart a rising vote of thanks for his very noble effort.

Mr. Eddy's motion was seconded by half a dozen members.

The President—

You have heard the motion, gentlemen, that we communicate with the Committee for the Dissemination of Information, with the idea

of disseminating Mr. Hart's very able paper as widely as we can; and that a rising vote of thanks be tendered Mr. Hart. All in favor of that vote I will ask to signify it by rising.

The Association arose in a body and the motion was unanimously carried.

The President—

I would like to ask if the Committee on the Nomination of the Board of Directors for the ensuing year is ready to report, Mr. McElhone, chairman?

Mr. McElhone, Chairman of the Committee on Nominations, thereupon read the following report:

REPORT OF COMMITTEE TO NOMINATE BOARD OF DIRECTORS.

Mr. McElhone—

TO THE PRESIDENT AND GENTLEMEN OF THE FIRE UNDERWRITERS' ASSOCIATION OF THE NORTHWEST:

We, your Committee to nominate the Board of Directors to serve during the ensuing year, beg to submit the names of the following gentlemen:

J. G. Stauffer	Decatur, Ill.
F. W. Williams	Chicago, Ill.
J. A. Kelsey	Chicago, Ill.
J. L. Whitlock	Chicago, Ill.
D. S. Wagner	Chicago, Ill.
J. B. Tallman	Chicago, Ill.
J. H. Caswell	Chicago, Ill.
H. H. Friedley	Indianapolis, Ind.
H. N. Wood	Omaha, Neb.
J. M. Wallace	Dayton, Ohio.
W. A. Chapman	Milwaukee, Wis.
J. K. Livingston	Jackson, Mich.
D. J. Matterson	St. Louis, Mo.

F. H. McELHONE, *Chairman*,
GEO. H. BELL,
A. R. MONROE,
M. H. N. RAYMOND,
D. S. WAGNER,

Committee.

The President—

Gentlemen, you have heard the report of your Committee. What will you do with it?

Upon motion of Mr. Carson, seconded by Mr. Hollinshead, the report of the Committee was accepted and adopted.

The President—

Your adoption of the report, of course, carries with it the election of those gentlemen as Directors.

Gentlemen, we have in Chicago what we consider the best local board in the United States. Part of this may be due, perhaps, to our feeling of local pride; but in my experience I have never known a board that has done as much and done it so well as the Chicago Underwriters' Association. Much of the credit of what it has done is due to its able President. I have asked him to meet with us to-day and tell us something about it in a paper entitled, "The Local Association," by Mr. C. S. Pellet of Chicago.

(Applause.)

THE LOCAL ASSOCIATION.

Mr. C. S. Pellet—

MR. PRESIDENT AND GENTLEMEN OF THE FIRE UNDERWRITERS' ASSOCIATION OF THE NORTHWEST:

An address by a Local Agent to an Association of Field Men and Managers will naturally develop some differences of opinion. We look in the same direction but our view-points differ. You stand near to the company and see some things in large proportions which are smaller in my line of vision. I stand near the customer and some things prominent in my sight are inconspicuous from your point of view. Our lines of sight converge, however, and finally meet at a point which represents the ultimate good of the business in which we are engaged. The line of vision which shows things in a truer proportion would be a mean line between our two points of view. This we both do well to remember.

I invite your attention to "Some of the Benefits of the Local Association."

The term Local Association as I will use it, denotes an association of men engaged in the Local Agency business, in a state enlightened enough not to discriminate against its citizens engaged in any lawful and necessary occupation, in a city or locality where the premium income is large enough to justify the maintenance of an office with paid employees; and the composition of whose membership embraces intelligence enough and honesty enough to be charged with the establishment of rates and proper practices—subject to the general and reasonable supervision of the Managers of the companies whose interests the Local Association is intended to serve.

RATE-MAKING.

The fundamental business of a Local Association, as I know it, is to make rates. If a Local Association has the legal privilege and does not possess the requisite ability or fairness to make rates, I would call it by some other name. In these later days we are much agreed that schedule-rating is the only reasonable, workable or equitable system of rate-making.

An underwriter of prominence once said that: "Some schedules work well, some work poorly and some do not work at all." Well the same thing is true of people. As well condemn boys because some turn out badly, as to launch wholesale criticism upon the system of schedule rating because some schedule in an infantile stage failed to measure up to the adult requirements made of it. Schedules like everything else of value in this world are the product of time and labor. A perfect schedule has not been devised, so far as I know. Yet I do not understand that it requires inspiration to build a workable schedule, or genius to apply one. Some wise man has said that "inspiration is perspiration"; and another that "genius is patience"; and one-half the ingenuity applied to improving schedules now employed in deriding them would bring about the millenium in rate-making.

I look confidently forward to the time when all risks, other than those general classes which can be cared for by a minimum tariff, will be rated by schedule.

When given a certain quantity of hazard in the way of construction, exposure and occupancy, the rate will be a resultant as absolute and as ascertainable as a result in addition.

Machine rates are the only rates which will distribute the insurance tax without fear or favor.

I favor uniformity in schedules. There is no reasonable explanation to offer why planing mills, for example, should be rated in Chicago by one schedule, in St. Louis by a different schedule and in Wisconsin by still another. Conflicting practices in rate-making make our business appear unreasonable. Eventually it must be with schedules, as with other things, a case of "survival of the fittest"; and the ultimate schedule for planing mills, for instance, will contain the good features of all the old planing mill schedules it supplants.

PREFERRED RISKS.

And now a word by way of contrast. In the nature of the case most of the attention of the Local Association will be devoted to building up rates. It must furnish the barrier to all those forces which unresisted would be destructive of all rates. But while we owe it to our companies to charge an adequate, just rate, we owe it to our customers not to charge an unjust rate. Nay, put the public out of consideration (which we can not do) and we owe it to ourselves not to collect an excessive rate. What is it in our business that begets greed, fosters excess commissions and leads in one section after another to demoralization which undoes in days the hard and conscientious work of months?

Why is it that one class of business is "preferred" over others?

If we are honest, the answer is manifest. The Local Association needs the courage to apply the knife on occasion. Good faith with the public requires that there be no preferred risks; good policy for our business demands it.

MAINTENANCE OF RATES.

When the rate is established it must be upheld and here the Local Association is a necessity. In no other way can "cut-rates" and discounts be so effectually prevented as by an organization of agents

bound by mutual agreement, and with the power to inflict penalties for the violation of such agreement. Rebating can never be absolutely stopped. As long as men are created human and not perfect some will seek an unfair advantage over others. But this is a world of some compensations, and one is that rebating finally fails, for the business having been purchased at a price is eventually lost to the man with a longer purse. The memory of La Salle street is strewn with the wrecks of firms whose principal reason for an existence was that they could outbid "the other fellows."

And to the credit of the business let it be known that "the other fellows" have grown gray in service, honorable in the eyes of the community and not entirely poor as this world measures wealth. And now a word to you, gentlemen. How much the companies could help to stamp out this pernicious practice of rebating and how little they really do in that direction.

As long as the rebate is not charged to the company, the company conscience is easy. With some companies it is a case of "premiums wanted and no questions." With some others the agent is actually encouraged to rebate or goaded to it by unreasonable demands.

I presume there have been instances where companies have discontinued agencies because of the agent's failure to keep good faith with his fellows. In fourteen years' experience in this city such a case has never come within my notice, though I have observed many instances where such action would have worked great good to the business, much credit to the company and in the end saved a charge to its "profit and loss account."

Nor has the opportunity to exercise such corrective influences passed.

INSPECTIONS.

But it is not the sole business of a Local Association to make rates or maintain them. We have some large responsibilities in the direction of reducing the excessive fire waste. I am a firm believer in the value of a scientific and extensive system of inspection for condition as a part of the machinery of a Local Association.

If one is skeptical of the value of systematic inspection let him look at the record of the World's Fair. Here, with frightful possibilities of a conflagration, the insurance loss was nominal, owing almost entirely, as I believe, to the care with which the properties were watched. Never was there a finer example of the value of the "ounce of prevention" in our business, for no sooner was the Exposition over and vigilance relaxed than the frequency and extent of fires was noticeable. If this is an exceptional case, compare the record of the packing house district and the remainder of the City of Chicago for a period of ten years, ending December 30, 1900. In ten years the stock yards premiums have been \$2,625,480; losses, \$918,892; loss ratio, 35 per cent.

In the same period in the balance of the City of Chicago we have had premiums, \$55,171,133; losses, \$36,620,778; loss ratio, 66 per cent.

Consider the large hazard inherent in the packing industry, the congested values and other unfavorable conditions in that district, and one begins to realize the value of the tireless and extensive system of inspection maintained there as expressed in the loss ratios I have read.

If further evidence was needed I could point you to special classes in Chicago like the printing risks which after being the cause of large loss to the companies have been made the object of special and solicitous inspection, and have become a source of profit from that time.

Believing in the ultimate value of inspections, the Chicago Underwriters' Association has recently organized and has now in good working order a very complete and well equipped inspection department, from which we expect large returns in the future.

MORAL HAZARD.

Nor is our obligation to the public met when we have fixed an equitable rate and arranged for careful and scientific inspections.

We owe it to the public at large, and the honest insurers in particular, to do the utmost in our power to prevent arson and fraud. And oh, how utterly we fail to meet our obligations in this regard.

Take 20 per cent. of the fire loss for the United States and Canada for the first six months of 1901, and we have approximately \$18,000,000 which may be conservatively offered as an estimate of loss due to arson and fraud. Compare this large amount with \$3,000,000, the *whole* amount lost by defalcation and embezzlement in the same territory and the same time. Compare our easy way of "letting things go" with the relentless persistence of the surety companies, and let us ask ourselves if our lax methods and heavy loss ratio may not bear to each other the relation of cause and effect.

If it is the duty of the Local Association to assist the State in punishing arson and preventing fraud, by the same reasoning it is the privilege of the Local Association to protect the companies from the operations of the incendiary and the fraud, by the collection of such information in proper and legal form as may be necessary for such purpose.

REGARDING OTHER PUBLIC OBLIGATIONS.

The Local Association conducted on broad grounds becomes a quasi-public institution. And its usefulness in the public aspect of its work is manifold and varied.

It can with perfect propriety engage actively in promoting good building laws, and interest itself zealously in the enforcement of such laws when adopted.

By the same right it becomes the natural protector of the public water supplies and reasonably concerned in the maintenance of bridges and highways. With the fire department, the Local Association has an especial concern. It is possible for a Local Association, if possessed of sufficient courage, to divorce a fire department from politics and keep them forever apart.

To the credit of the mayors of Chicago let it be said that since the great fire they have uniformly recognized the right of the underwriters to a voice in fire department affairs, and they have repeatedly solicited such advice and been guided by it.

INCIDENTAL MATTERS.

In regard to those incidental items with which a Local Association may at times or in places concern itself, just a word.

Map Publications. Theoretically, because from the map the rate for minimum tariff business is made, I believe that the maps should be published, or the corrections officially supervised, by the rating department of the Local Association.

This can be done, as has been demonstrated in Chicago in years gone by, when the old Chicago Fire Underwriters' Association prepared, printed and pasted the corrections on maps in the hands of its members and furnished such corrections to the companies free of cost.

Practically, however, because the rating and inspection work absorbs so much attention and money, I conclude that few Local Associations can afford to indulge in the map publication business; and that with Local Associations in general it is best to do a few things well.

Collection of Premiums. The rate is not charged until the premium is paid, and in my judgment it is quite as proper to regulate the time in which the premium shall be paid as to make the rate in the first instance. Such regulations are unpopular and hard to enforce, but they are right nevertheless.

In this connection I esteem it to be entirely proper and reasonable for a Local Association to protect its members from "dead-beats" and assist them in the collection of just accounts by the employment of such methods as are in vogue in other commercial lines and fall within the limits of law.

Supervision of Adjustments. The adjustment of losses in large cities under present methods is expensive and unsatisfactory. In the case of moderate losses it is sometimes true that there are not enough competent Adjusters disengaged to give prompt attention to claims. During most of the time, however, there is a surplus of adjusting ability and a loss of consequence finds a dozen Adjusters on the ground, any two or three of whom could better handle the claim. This results in expense to the companies and confusion to the assured, and in some cases the outcome betrays the fact that "too many cooks spoiled the broth." The remedy for this condition I do not pretend to know, nor would this be the place to suggest it if I did. However, I feel sure that the remedy is not to be found in Local Association interference. I can conceive of only one circumstance when a Local Association would be justified in departing from a policy of non-interference with loss claims. That condition would exist, in my opinion, if the companies became the victims of dishonesty or corruption; and such a condition, I am pleased to add, does not exist in the West so far as my observation goes.

Patrol Service. Naturally the maintenance of a salvage corps, unless there be some better or older plan (as is the case in this city), falls within the duties of the Local Association. And in no other way, within my knowledge, can a Local Association in the large city better serve the companies or more certainly justify its existence to the public than by the support of such an institution.

Classification Tables. I am beginning to believe that if this business is ever to possess any general experience tables the Local Associations must get them together. And perhaps that is the best method of collecting such information. The Local Association, or its auxiliary patrol service, usually has in hand the compilation of the amount of insurance loss. To classify such losses would be a simple matter. The classification of premiums would be a more troublesome undertaking. In Chicago we now report our premiums in bulk to the Secretary of our Association under a seal of confidence which has never been betrayed. At the expense of a little additional clerical labor

those returns could be classified before being reported. The experience on the \$7,500,000 premium income of the City of Chicago would be of immense value.

The combined experience of a number of large cities would be of inestimable value and go very far toward putting the business on an exact and scientific basis.

And now just a word about the need of experience tables. We take pride in a good schedule, and yet what is a schedule under the practice obtaining to-day? Nothing more than a scale of charges and credits based upon the best unclassified experience obtainable. In Chicago we make a basis rate of 3.50 on a soft wood worker, but we do not know that it ought not to be 3 per cent. or 4 per cent. We make a careful discriminating and composite estimate. But it is an estimate; nothing more or less when we are done.

In our mercantile schedule for ordinary construction buildings we lay down the broad proposition that a standard building 50x100 feet and four stories high is worth 40 cents, but we cannot prove it. We say that a retail dry goods stock is worth 50 cents more than the building, but if some one said it was worth only 40 cents he might have just as good right to his opinion as we have to ours. We are not able to prove our own assertion or disprove his, and vice-versa. Our business without schedules can be compared to a boat without a rudder, but it is honest to complete the comparison and acknowledge that our schedules without experience tables are quite as uncertain as a rudder without a compass.

Rules of Practice. No reasonable Local Agent will deny to the management of the company the right to sell its contracts on its own terms. A thoughtful Local Agent will go further and agree that it would work to the good of the companies, the satisfaction of the agent, and the advantage of the customer, if the practice in important matters could be uniform throughout the country.

The reasonable request the Local Agent has to make of the management is that local practices be regulated through the Local Association rules.

IN CONCLUSION.

This business cannot be divorced from its public aspects. The credit of the commercial world is built on the indemnity we furnish it.

The public has a right to know about our business and to question reasonably the manner in which it is conducted.

In former years we have sown with carelessness and too much contempt for public opinion, and in later days we have reaped misunderstanding, suspicion and embarrassing legislation.

There is nothing about the fire insurance business, so far as I know, to keep under cover, and nothing to be ashamed of, unless it is the expense ratio.

I believe in the campaign of education, in the policy of frank dealing and in the dissemination of information. But I believe first and foremost in the educational value of a properly conducted Local Association. In the policy of frank dealing as exhibited between company and customer, through a well-organized Local Agency Association. And in the dissemination of information by means of a reasonable schedule, a careful inspection and a manifest disposition to treat the

public on broad and just grounds in those individual transactions of insurance which most affect men's pockets and most influence their opinions.

The President—

Gentlemen, I would be very glad indeed to have Mr. Pellet's paper discussed on this floor. It is certainly a very able paper.

After the dinner comes the dessert—something bright and well said to tickle the palate. Lest any of us should become weary, we saved the treat for the last, and I will call on our able and versatile friend, Dr. J. F. McSween, of Omaha, Nebraska, to tell us something about "The Ideal vs. The Real in Fire Insurance."

THE IDEAL VS. THE REAL IN FIRE INSURANCE.

Dr. J. F. McSween—

MR. PRESIDENT AND GENTLEMEN OF THE FIRE UNDERWRITERS' ASSOCIATION OF THE NORTHWEST:

The selection of the subject upon which I am announced to address you may seem somewhat incongruous; first, in view of the intensely prosaic character of this business, consisting as it does mainly of the collection of premiums and their disbursement again in payment of losses and incidental expenses; second, in view of the generally unsatisfactory conditions which are alleged to have been prevailing for so long a time; third, and consequentially, for any one to imagine that the Fire Insurance business was in any respect within the range of the Ideal, might be taken as *prima facie* evidence of a mild form of dementia, if not positive insanity.

That the Real is a veritable entity, no one engaged in or having any practical connection with the Fire Insurance business will for a moment question. They are made conscious of it daily. But that the Ideal has any existence, many will be disposed to concede with considerable hesitancy and reluctance. It is a fact, however, which I have undertaken to indicate, in a general way, that both do exist in the Fire Insurance business, and each exerts its own specific influence therein.

Every line of business presents two phases, viz.: conditions that ought to exist, and those that do exist, and in the Fire Insurance business no less than in any other, do those two phases continuously and persistently present themselves, the former being what I shall call the Ideal, the latter the Real.

The Ideal has in view the future of the business, while the Real confines itself strictly to the present.

The Ideal represents the theories of and possibilities in the business, while the Real represents only so much of them as have crystallized into actualities.

The Ideal ever journeys in the lead, laboring assiduously in the region of the undiscovered, while the Real slowly follows, reaping the harvest in due time.

The Ideal points out the evils which have crept into the business and warns against the dangers toward which they tend, while the Real, in its narrow horizon of the present, seems bent upon their continuance and perpetuation, reckless of all considerations other than present advantage and immediate gain.

The Ideal has for its purpose and scope the agitation and promotion of that which is possible, the correction of causes which have produced unsatisfactory conditions, and the establishment of those which operate in the direction of a better state of things, or conditions that ought to exist, believing that the general interest will be thereby best subserved, while the Real seems inclined to accept present conditions as entirely satisfactory, and its best efforts seem directed rather to the individual than the general good.

That the Ideal eventually becomes the Real in many cases is natural, just as deeds are another form of words, and marks the progress of the business both as to its principles and methods, but the conditions which are alleged to have existed during recent years would seem to indicate that the Real has altogether superseded the Ideal, or that the latter for some reason has been utterly ignored.

The question as to whether the Fire Insurance business has as yet reached the dignity of a profession has long been a mooted question, and is possibly no nearer a solution now than when first raised. Some one has said that in New York it is an art; in Hartford, a science; in Chicago, a hustle; in Kansas, a misdemeanor; in San Francisco, dead hard lines, and in Texas, a miracle.

I am inclined to concede that the last three describe the business of Fire Insurance in the territory with which I am most familiar in nearly correct terms, representing the Real in a very emphatic manner, while I suppose it is left for New York and Hartford (I can hardly include Chicago) to represent the Ideal.

Every business in America involving thought and action, be it professional or mechanical, whether conducted under conditions ranging all the way from the realities indicated in the term "dead hard lines," to the very high ideal as expressed in the terms "art and science," has sooner or later found that, if it is to progress at all, it must do so by the freest and fullest presentation of both its phases, viz.: the thought element or the Ideal, and the action element of the Real—and the Fire Insurance business is no exception.

The literature of our profession, its age being taken into consideration, needs take no second place with that of any other in the force and prominence given to the Ideal. It covers the scope of the business as fully as does the literature of any other department of economics. It is frequently said that "actions speak louder than words," and it is as true in connection with the Fire Insurance business as in any other relation in life, yet I believe it to be invariably true that the Ideal is most frequently given expression in what men say rather than in what they do, hence, when we desire to ascertain what men have thought or hoped for, we search the literature of their time, while for the Real we have but to observe what they do.

An examination of the literature of Fire Insurance, which comprises the free, fearless and forcible discussion of its principles, problems and methods, expressing the best thought of the profession, in its

many able journals, and in papers read and addresses delivered at its various conventions, notably the meetings of the Fire Underwriters' Association of the Northwest, shows how it abounds with aspiration toward the Ideal or what ought to be, and disappointment and dissatisfaction with the Real or existing state of things. The former is presented and urged in positive and forcible terms, both in poetry and prose, while the latter is fearlessly and unequivocally commented upon by way of contrast, and all through clearly discloses the fact to the most casual and cursory student of the Fire Insurance business that the Real has never been satisfactory, but simply serves as a stimulus toward the Ideal or that which ought to be.

Was it not the Ideal that originated the Fire Insurance business, and through it, as pursued and realized, the development has been phenomenal, beginning only a few generations since, when a certain number of individuals associated themselves for mutual protection, until it has become the bulwark of all enterprise and the foundation of all commercial credit, disbursing its one hundred and fifty millions annually to repair the breaches in either caused by fire?

Was it not the pursuit of the Ideal that has brought to such a degree of perfection the principles upon which the great superstructure of Fire Insurance rests, and has caused the evolution of a contract, the present form of which, but for one point, viz., its uniliteral character, is the embodiment of the struggles of the Ideal from crudity toward completeness, and has withstood the keen analysis of our ablest lawyers, and the captious criticism of our shrewdest legislators?

The evolution of any business involves much more than its detail, and in view of the fact that the Fire Insurance business is claimed to be still in its formative period, the scope of the Ideal expands with its development; new conditions constantly arising and calling for the readjustment of the application of principles and the modification of lines of policy; new problems, the outgrowth of the new conditions demanding the most careful consideration in order that they may be most wisely solved; new relations to both state and individual, forced upon us by the patriotic (?) cupidity of the one and the persistent prejudice of the other; new burdens superimposed of so inconsiderate and unreasonable a character as to prompt the most strenuous resistance and to achieve even somewhat in conforming, solving, correcting, changing, establishing and removing, as the necessity arises; our efforts must be unqualifiedly and specially inspired by a desire solely for the Ideal or that which ought to be, and demands men of principle, energy, purpose, and faith in the future—men who can rise above their own immediate interests and environments and can believe in their very souls that, "The greater includes the less, the general good the particular, that the good of all is the good of each." Such men are pre-eminently needed for the correction of the present conditions as they are alleged to exist in the Fire Insurance business, from the official of highest rank connected with and immediately interested in but one company, to the Local Agent having relations with several companies. Rank imposes obligation. Every position that counts for much has its own peculiar cares, responsibilities and obligations, and to be a factor in the growth and development of an organization or business, that, paramount to all else, stands for the protection of invested capital, the

credit of the commercial world and the homes of the people, constitutes a mission as nearly Ideal as can well be conceived of, and to accomplish any lasting results in the direction of placing these beyond any peradventure, the efforts put forth must be continuous—not spasmodic, assiduous and unflagging—not now and then.

Time soon reveals the faults of rashness, unripe judgment and over-confidence. The poet, the philosopher, the scientist, and all epoch-making minds ask for time and old age to revise and remodel their systems. It is said that the element of time has no place in the realms of the Ideal, the thoughts of one age often failing to appear in concrete form, and their value remaining unapprehended until long after their presentation, while the Real takes cognizance of and is interested only in present practical results.

It is said that the poet Gray spent seven years in perfecting his "Elegy of a Country Church Yard," which can be read in seven minutes; that the historian, Prescott, worked twenty years in the libraries of Europe collecting material for his Spanish Histories, a large part of the time blind and using the eyes of another; Gibbon wrote his Memoirs nine times before presenting them to the reading world; Newton, one of his philosophical works, fifteen times; Addison, his Essays, twenty times; Spinoza and Buckle spent twenty years in carefully forming and maturing their judgment before they published their systems of thought; Doctor Harvey spent eight, Doctor Jenner twenty, and Sir Charles Bell, forty years in maturing their three famous discoveries in medical science.

Titian, it is said, worked seven years on one of his great paintings, and on another eight.

The Declaration of Independence, grandly constructed though it be, the admiration of citizen and critic alike, as expressive of deliberate purpose and the necessities compelling thereto, would have remained a mass of glittering generalities had not its Ideals of liberty and justice become impersonated in a Washington, an Adams and a Jefferson, and because of them a nation was born.

The thesis nailed upon the church door at Wittenberg might or might not have been read by the passing and repassing multitudes, but reinforced by the enthusiasm and fire created by the Ideal in Luther's heart produced the great reformation.

Have the names I have mentioned passed out of memory? Are they to be counted among the forgotten worthies, and have their works followed them? Nay, verily. Their names have long since been entered upon the Roll of Honor among the Immortals, enshrined in the hearts of humanity, as men who have made the world better for their having lived in it—men of unswerving fidelity to the Ideal.

I have said that the principal characteristic of the Fire Insurance business was prosaic, consisting mainly of collecting premiums and disbursing them in the payment of losses and expenses, and it might have remained so had there never been but one company to do the business, but in view of the many companies becoming engaged and the vastness of the interests which they assumed to cover, its prosaic character has been largely lost sight of in the multifarious relations developing, and questions arising in Fire Insurance from its inception until now, the maintenance and solution of which have evolved the

principles which form not only its very foundations but the system itself, and which are essential to its successful prosecution. Out of the rivalries of the increased and increasing number of companies which threatened the ruin of many, was evolved the idea that instead of rivalry there was a community of interest, and the Ideal condition of co-operation was adopted.

The unity of interest thus developed and the co-operation consequent thereupon did more to dignify and ennoble the Fire Insurance business than any other influence which had been exercised upon it up to that time and contributed to render it more of an Ideal business in contrast with the methods previously prevailing, which seemed to be entirely upon the principle of every one for himself and the devil take the hindmost.

Community of interest having been gained, the future evolution of the business was to be accomplished upon a common basis, hence the varied questions involved were met with a united front in the various associations of Managers, Field Men and Local Agents resulting in conditions that approached the Ideal, and a return to them at this time would be hailed with delight and gratification, I believe, by all three departments above referred to.

When Frederick the Great said he always observed that Providence favored the heaviest battalions, he only stated that which history so frequently confirms in the selection of leaders and the creation of enthusiasms that are overwhelming in their force, carrying all before them. So in the days when unity of purpose and method was the motto and watchword in the Fire Insurance business, what ought to be was recognized and the enthusiasm for it caused its ready acceptance, permitting no spirit of temporizing or compromise. To-day, however, the spirit of compromise pervades the entire atmosphere of the Fire Insurance business, and instead of that unity of purpose and method which had been regarded as the natural outgrowth of a community of interest, a retrogression toward the every-one-for-himself principle seems to be taking place.

Did the spirit of the Ideal, or what ought to be, prevail in the Fire Insurance business to-day, as it should, what existing evil could not be corrected; what necessary reform could not be accomplished; what intelligent advance in either policy, practice or principle could not be brought about? If the army of the thousands of Local Agents, reinforced by the hundreds of Special Agents, and led by the combined wisdom and united intelligence and purpose of the Managers of the one hundred and fifty companies doing business in the United States, could be made to see that the entire interest was one, and the various titles simply indicated their various relations to the Fire Insurance business and the matters incident thereto; that an injury done by one company to another, by one Field Man, or by one Local Agent, to another, is an injury done to the entire Fire Insurance business, and indicates a return to former conditions, proved to have been unsatisfactory and disastrous.

The Real, or the conditions which exist, discovers a very different situation. Witness the relations as evidenced by the attitude of the Managers toward the infant prodigy known as the National Association of Local Agents, which is familiar to you all.

These represent the extremes in their relations to the Fire Insurance business, the one absolutely necessary to the other, and instead of the development of any feeling that would indicate that each represented a separate interest, every possible influence should be exerted to harmonize and intimately connect these extremes, and thus further to the utmost possible the interests of both; and also ameliorate the conditions growing out of the hostile attitude of the public toward Fire Insurance. The Local Agent is nearest the disaffected interest, and I believe that only through him can such attitude be modified or overcome. A writer in one of our prominent insurance journals, himself holding a Manager's position, says, "I doubt if the occupants of official chairs, especially those who for a long series of years have not been in personal touch with the field, adequately appreciate that the popular mind is still tinctured with the hurtful idea that insurance companies deal uprightly only as they are compelled by statute."

Can the Manager remove or modify this feeling alone? Will the agent do it alone? Not at all probable. Both acting together, however, the latter receiving his inspiration from the former, each animated by a desire solely for that which ought to be, will, in due course of time, observe the clouds no bigger, perhaps, than a man's hand, develop into a mighty storm sweeping away the blind prejudice, the hostile attitude, and the anything-to-beat-an-insurance-company feeling that now so thoroughly possesses the people.

The Special Agent forms the connecting link between Manager and Local Agent as well as the channel through which such inspiration is to be transferred from the one to the other, and if Ideal relations exist between them his position would be almost ideal, but if not, instead of inspiration being intercommunicated, only a sense of shock and disturbance is experienced.

Two terms have been incorporated into our vocabulary, each signifying and representing opposite ideas. I refer to that of Underwriter and Insurance Man. The former conveys to my mind the idea of thought, study and professionalism, while the latter carries with it the idea of indefiniteness, nondescriptness, a go-as-you-please, take-things-as-they-come sort of a proposition, having little or nothing of the professional about him.

The term Underwriter came to us from a former time, while that of Insurance Man is of recent origin. The Underwriter is the one who develops the business from the spirit side of it, while the Insurance Man prosecutes it as he finds it, and has regard mainly to the latter side. All may be Insurance Men, but all are not Underwriters.

That the Ideal Underwriter, whether Manager, Field Man or Local Agent, is still to be a development of the future, I think none will deny, but to the Underwriter of the past we must ascribe all the glory and cheerfully assign all the credit for the heritage which we enjoy. From him, as the Idealist in our business, came our ideal contract to which I have already referred—which through an abnormal and irrational form thereon, the realist so frequently nullifies, while he complains about it. From him, as the student and thinker, has come the many clauses having for their object plain justice between insurer and insured, such as pro rata, average and other clauses, regarding which the realist seems indifferent, taking chances rather than following principles.

From him, as the author of whatever development has been achieved in the Fire Insurance business, has come the idea of concurrency in policy forms, rate-making by schedule, the value of privileges, etc., regarding the value of all of which the Realist in the business seems to fail fully to appreciate, hence blanket forms of policy are not at all uncommon, rate cutting exceedingly common, privileges granted without charge, serious hazards lightly estimated, etc.

The Underwriter of the future is described by a distinguished veteran who was well qualified to speak, in view of the fact that he had been identified with the business in every detail from Local Agent to Manager of one of the largest and most successful Fire Insurance companies in America. He says: "His name we may not impart, but his qualities we may describe. He will be made, not born. He will be trained in his profession, commencing near the lower round of the ladder. In it he will acquire the habit of wide observation, through discipline and knowledge. His grasp will extend beyond the mere technique of the business, and take in conditions of finance and trade, the study of men and movements and their relation to general enterprise; with quick perceptions, he will combine a spirit of aggressive enterprise and persevering energy. He must possess fertile resources and virility of character. His attitude toward competitors will be that of honorable co-operation in associated effort, suffering neither selfish prejudices nor aggrandizing purposes to isolate his influence in measures for the general good.

"He will be no specialist, working along narrow lines, expecting to avoid the experience inseparable from existing conditions, or the discoverer of remedies for the cure of all difficulties the profession encounters; for the business which he is to direct must be organized on a broad and comprehensive basis. He will neither cling to nor discard the old because it is old, nor chase after or reject the new because it is new. He will be an even and well-balanced man, not carried away by unusual success nor depressed by unusual reverses, for success and reverses will never cease to follow each other in the life of the Underwriter. Above all, probity and moral rectitude will hold no mean place in the fiber of his character."

That this description forms an Ideal worthy the best efforts of every man engaged in the Fire Insurance business will be at once conceded, and were its counterpart as numerous as it should be, the professional character of Fire Insurance would be established and the appropriation of the term Underwriter by each one of us, would change present conditions as if by magic, and the Underwriter's profession would be one of honor and its achievements noted with a pardonable pride.

Among many achievements some would be the consideration of insurance men of experience only as candidates for public positions having relations with our business; the improvement in the construction of buildings in the larger cities, by the exercise of our united influence in securing the passage of proper ordinances, as well as the selection and appointment of men of fitness and character for their thorough enforcement—schedule-rating, with no other object than the equalization of rates; the enactment of laws in all the states providing for the thorough investigation of fires; the demonstration of the justice and equity

of the principle of co-insurance, and its possible enactment into laws; the successful resistance to and final defeat of all oppressive and inimical legislation and unreasonably burdensome taxation.

Surely co-operation should be had upon all these, and if the army of which I made mention some time since was animated by an enthusiasm for the Ideal, or what ought to be, born of the same spirit, the word failure would be for the future unknown in our literature, and our business would soon be rid of the evils that now, and for so long a time, have infested it.

In the Annual Address delivered before this Association last year, I find the following as indicating the Real in the Fire Insurance business: "For nearly three years the business has been in a critical condition. It has lost a great deal of blood; by some its life has been despaired of." The Annual Address of the President of the National Board, recently delivered in New York, has sounded the mournful note befitting the sad occasion. Like the Prophet's Roll, it is written within and without with lamentations, mourning and woe. We have seen leaders, men of capacity and force, standing bewildered in the midst of the storm or going down before it; we have seen men of experience groping in the darkness, and asking where are we at? admitting that they were up against it, and still further asking what are you going to do about it? We have seen Company, Manager, Special and Local Agent completely rattled by a process of pounding for business in this order named until the whole atmosphere of the business was rendered acrid with uncertainty, dissatisfaction and dreads, which has cost the companies millions of dollars which they need not have lost. It has been, in its way, a reign of terror. To any one who takes pride in this business, the failure of intelligent effort, the general confession of helplessness, the overthrow of men of mark, the gloom and foreboding of the past few years, have been pitiful—they have been humiliating.

In the Annual Address delivered here in 1898, appears the following, which is a brief but forceful presentation of the Real: "No searching inquiry, however, is needed to reveal the fact that the conditions which surround and confront the Fire Insurance business of this country threaten developments which must, in the near future, bring ill to all and good to none—and the conditions have been provoked by the arrogant selfishness of some, and the insidious disloyalty of others, both inspired, encouraged and sustained by that omnivorous greed for volume of income which appears to have banished from the philosophy of the Modern Underwriter that old-fashioned, but none the less good and wise maxim, 'Live and let live,' and substituted in its stead the doctrine of each for himself and the devil takes the hindmost."

In that delivered ten years since by one who had sustained almost every known relation to the business during his career, and was well qualified by ripe scholarship and close study and observation to pronounce upon the situation at that time, he said: "At the time of the organization of this Association twenty-one years ago, the attempt was made to find out what was the cost of this business, or what it should be, and to regulate it by rules, or by forms, or by both, and in spite of the most vigorous work from that time to this the race has been an unequal and unsatisfactory one. Somehow we don't seem to get at

the solution of the difficulty. Our running course is of the zigzag order; we keep on the road because there are fences on each side of us and abiding hope beyond, while the fire fiend by our side keeps right on, ably seconded by high commissions and increased expenses.

"At the end of 1891, eighty-two of the companies that started out with us at the beginning of the year dropped out by the wayside, giving up the contest. On the whole the situation is critical. Something desperate seems to be the matter with the insurance business."

Crises of greater or less seriousness have come with more or less frequency to the Fire Insurance business which, if correctly interpreted, teach valued lessons of experience, and bring with them the opportunities for the inauguration of changes which would certainly result in better conditions, but because of the failure of the few to appreciate the lessons to be taught or the opportunities to be improved, no mark of progress is made and the process of drifting continues.

A famous sculptor once showed a visitor the treasures of his studio. In it were many mythical gods, one particularly attracted the visitor's attention. The face was concealed by being covered with hair, and there were wings to each foot. "What is his name?" asked the visitor. "Opportunity," was the reply. "Why is his face hidden?" "Because men seldom know him when he comes to them." "Why has he wings upon his feet?" "Because he is soon gone, and once gone, he cannot be overtaken."

To diagnose a condition correctly is as important as to prescribe a remedy, but before either can be done there must be a recognition of the Ideal, and inasmuch as the universal sentiment as to Fire Insurance seems to be that its general health is in a very precarious condition, due to pestilential influences attacking it from without and the insidiously destructive activity of microbes and bacilli attacking it from within, the treatment indicated should be of a rather heroic character, the external enemies by a process of disinfection or quarantine, and the internal enemies, much more dangerous, by a process no less vigorous, leading ultimately to utter extermination.

There may be some matters connected with our business upon which the mandate of the law has placed its mighty ban, but when actual conditions, which are observed by all and conceded by all to have been in the years that have gone, and likely to continue in the years to come, without hope of satisfaction and comfort, do we not owe it to the public, if not to ourselves, to use our best efforts to correct them, whatever be the present cost? Let there be no more re-insurance of companies that have been culpably and directly responsible for the unhealthy conditions. Let there be no barnacles attached to the business, with the view of increasing competition, while legislation is operative in the same direction. Discourage the assumption of abnormal lines by companies, under cover of re-insurance. Let the conduct of companies in their relations to the business be the same in all localities. Let schedule-rating in its most complete form receive the hearty approval of all, and let each company here represented regard its policies as worth, at least, whatever rate that schedule makes. Let no condition unfavorably affecting our business be permitted to prevail or continue, for which we can be held responsible—and I should like to issue my specific injunction as to every recognized form of evil in the Fire

- . Insurance business but I will simply add one that will cover them all—in words credited to Rev. Sam Jones, "Quit all forms of meanness," or in words having much higher authority, "Let us cease to do evil, and learn to do well." Let the voices of the past serve as heralds to the present proclaiming that, as in arms, it was devotion to the Ideal that gave to the world a Washington, a Napoleon, a Von Moltke, a Grant; in the field of astronomy, a Herschel, a Proctor, a Newcomb, a Flammarion; in the field of scientific research, a Newton, a Kepler, a Darwin, an Edison; in statesmanship, a Lincoln, a Blaine, a Gladstone, a Bismarck; so in Fire Insurance, a Bennett, a Warren, a Bissell, a Hine, a Cunningham and a Dean; and if our day and generation in the Fire Insurance business would, looking back upon the hard-earned progress of the closing century, gain the necessary inspiration for the responsibilities and possible achievements of the opening one, we must not stand by in listless attitude, indulging in the spirit that the work to be done is for others to do. We must not be satisfied with conditions as they are, but fixing our minds upon the Ideal, we must, one and all, make our every effort tell with the greatest possible force for the bringing in of conditions as they ought to be.

"Not in the clamor of the crowded street;
 Not in the shouts and plaudits of the throng;
 But in ourselves are triumphs and defeats.
 We live in deeds, not years; in thoughts, not breaths;
 In feelings, not in figures on a dial.
 We should count time by heart throbs—He most lives
 Who thinks most, feels the noblest, acts the best."

The President—

Gentlemen, I am requested to announce that it will be necessary for us to vacate the hall as early this evening as possible, as they have other things on hand. We have a great deal to do this afternoon in the election of officers, reports of Committees and routine of business, and I would like to impress upon you the necessity of meeting promptly at 2:30 this afternoon. If there is nothing further to bring forward at this time, I will entertain a motion to adjourn.

Thereupon, upon motion, the convention was adjourned until 2:30 P. M. of the same day.

AFTERNOON SESSION.

THURSDAY, September 26, 1901.

The Convention was called to order at 2:30 p. m.

The President—

The meeting will please come to order. We have here a few additional names proposed for membership, that were not read at our previous session. With your permission I will read them now:

NEW MEMBERS.

NAME.	ADDRESS.	TITLE.	COMPANY.
Babcock E. J.,	Davenport, Ia.,	Secretary,	Security Fire Ins. Co.
Barney F. H.,	Minneapolis, Minn.,	Special Agent,	Hanover Fire Ins. Co.
Cloud Jos. A.,	Cincinnati, O.,	Special Agent,	Phoenix Assurance Co.
Corry C. B.,	Bellefontaine, O.,	Special Agent,	Pelican Assurance Co.
Dillon A. J.,	Rochester, Ind.,		Royal Ins. Co.
Garrison Chas. H.,	Detroit, Mich.,		Continental Ins. Co.
Gress A. R.,	Minneapolis, Minn.,	Special Agent,	Delaware & Reliance Ins. Co.
Hubbell J. G.,	41 Cedar St., New York,	Inspector.	Ins. Co. of North America.
Jones David E.,	Minneapolis, Minn.,	Special Agent,	Philadelphia Underwriters.
Looney M. D.,	Sedalia, Mo.,	Special Agent,	Millers & Manufacturers Ins. Co.
Martin John,	Columbus, O.,	Special Agent,	Niagara Fire Ins. Co.
Minty Harry E.,	Kansas City, Mo.,	Special Agent,	Home Insurance Co., New York.
Nelson H. R.,	Chicago, Ill.,		Hanover Fire Ins. Co.
Pond Chas. C.,	Sycamore, Ill.,	State Agent,	Milwaukee Fire Ins. Co.
Rademacher E. A.,	Milwaukee, Wis.,	Special Agent,	German Fire Ins. Co., Ind.
Rowland Neal Co.,	Columbus, O.,	Special Agent,	Home Ins. Co., New York.
Sutton W. D.,	Milwaukee, Wis.,	Adjuster.	London Assurance Corporation.
Thatcher H. H.,	Pontiac, Mich.,	Special Agent,	Hanover Fire Ins. Co.
Vogel C. M.,	Marion, O.,	State Agent,	Greenwich Ins. Co.
Warren A. M.,	Chicago, Ill.,	Special Agent,	Phoenix Assurance Co.
Wile Jos. M.,	Chicago, Ill.,	Cook Co. G'n'l Agt.,	Netherlands Fire Ins. Co.
Wonn C. G.,	Chicago, Ill.,	Special Agent,	Connecticut Fire Ins. Co.

What is your pleasure with these names?

It was moved by Mr. Greely and duly seconded that these gentlemen be elected members of the Association.

The President—

Moved and seconded that these gentlemen be elected. Are there any remarks? If not, all in favor will please signify by saying Aye.

The motion was unanimously carried and the applicants declared duly elected as members of the Association.

The President—

Gentlemen, the next business that comes before us is in the nature of a sad duty. We have memorials presented on twelve of our members who have died since our last meeting. The list has been read

and the Committees appointed. I would like to hear from the Committee appointed to prepare resolutions on the death of Mr. W. H. Cunningham—J. S. Belden, H. C. Eddy and George M. Lyon.

If the Committee is not here, I will ask the Secretary to read the memorial resolution.

Whereupon Secretary Wagner read the following:

REPORT OF COMMITTEE UPON THE DEATH OF MR. WILLIAM H. CUNNINGHAM.

Since our last meeting, Mr. W. H. Cunningham, one of our oldest and best beloved members, and one of the oldest underwriters in the West, has passed away. He came to Chicago in June, 1862, and immediately entered the service of the Security Insurance Co. of New York, under Mr. J. R. Payson. Five years later he succeeded Mr. Payson in the management of the Western Department, continuing in that capacity until the great fire of October, 1871. In the autumn of 1872 Mr. Cunningham was appointed Manager of the Western Department of the Fire Association, which position he filled with signal ability until his death.

No one was more widely known both in Chicago and throughout the West, and no one in our profession was more esteemed and loved. His was eminently a social nature, and his genial disposition, generosity and quick sense of humor attracted to him hosts of friends and rendered him a delightful comrade. He was a close observer and a keen student of human nature as well as a rare raconteur, and his stories were not the less enjoyable from the fact that many of them were based on his own personal experiences in the army and elsewhere.

Mr. Cunningham's home life was an ideal one. He married Miss Josephine Dalton, of Chicago, in March, 1868, and until her death, in 1895, their life was one of unalloyed happiness. His cheery manner, high spirits and warm affections rendered him a charming companion to his wife and children, to whose welfare and happiness his life was devoted.

Loyal to the business interests entrusted to him, a steadfast and faithful friend, a genial companion, an affectionate and loving husband and father, Mr. Cunningham will never be forgotten by those who have known and loved him.

J. S. BELDEN,
H. C. EDDY,
GEORGE M. LYON,
Committee.

The President—

Gentlemen, you have heard the report of your Committee on the death of Mr. William H. Cunningham. What is your pleasure?

Mr. Greely—

I move its adoption by a rising vote.

The motion was seconded and unanimously carried.

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PUBLIC LIBRARY



WILLIAM H. CUNNINGHAM,
MANAGER FIRE ASSOCIATION, PHILADELPHIA.

The Member

1901.

William H. C. C.

CHICAGO, ILL.

Manager Fire Association
Philadelphia.

Died October 28, 1901

AGED 62 YEARS



1912

1913

In Memoriam.

1901.

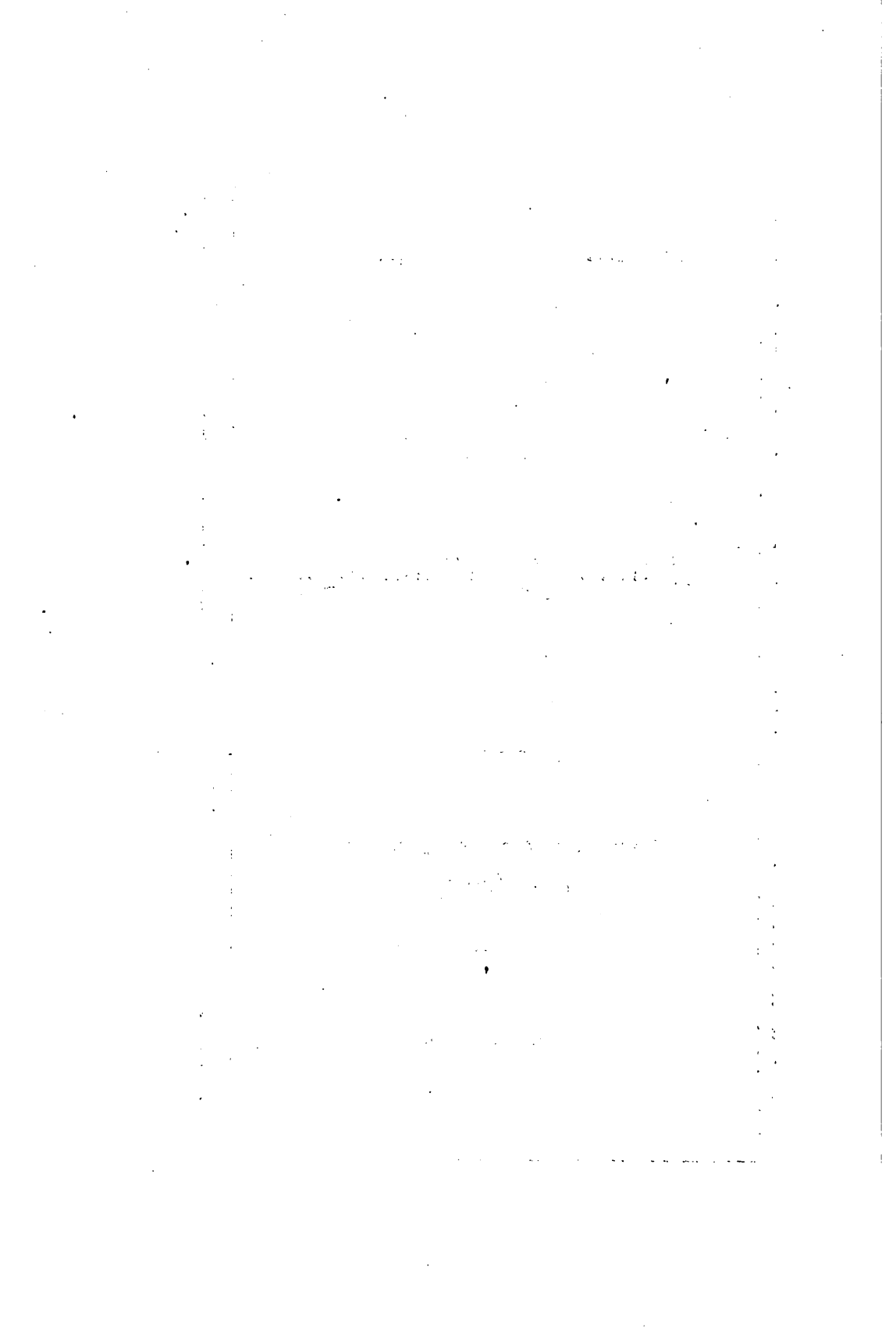
William B. Cunningham

CHICAGO, ILL.

**Manager Fire Association,
Philadelphia.**

Died October 28, 1900.

AGED 62 YEARS.



The President—

I would like to hear from the Committee appointed to draft resolutions on the death of Mr. Thomas H. Webster—Messrs. Holger DeRoode, J. H. Stevison and E. R. Wetmore.

Holger DeRoode, Chairman of the Committee, thereupon read the following:

REPORT OF COMMITTEE UPON THE DEATH OF MR. THOMAS H. WEBSTER.

The passing of Thomas H. Webster, on the afternoon of January 30, 1901, at his home in Chicago, brings to this Association another message of sorrow, with its accompanying privilege of expressing the word of sympathy and sounding the melody of hope. It is the office of time to lessen the selfishness of grief and at this hour do we rather feel grateful for the record of his life, its high purpose and noble example.

The late Mr. Webster was born October 29, 1846, at Leeds, England, coming to America in his early youth, and was for no less than thirty-seven years an active associate in all fire insurance work, though principally engaged in the local business in Chicago as the honored head of the firm of Webster, Wiley & Company. As State Agent of the Commerce Insurance Company of Albany, N. Y., and incidentally in behalf of the Lion Fire Insurance Company of London, England, Mr. Webster kept in touch with the work of the field force both as Special Agent and Adjuster, his thoughtful, yet singularly cheerful and unselfish nature, attracting the confidence and friendship of hundreds in all walks of life. It may be truly said of him, that he loved to do good at all times and in all the relations of life, and the influence of this goodness was as positive in shaping the business he had in hand as it was in beautifying his home and social life.

Of personal service our friend gave freely without reckoning the cost. He believed with the poet that

"The gift without the giver is bare;
Who gives himself with his alms feeds three,
Himself, his hungering neighbor and Me."

The garish light of public life had no charms for his modest nature, but he was ever the faithful citizen, the devoted trustee, the true friend, and we deck his tomb anew with the garlands of tender remembrance. He bore the Cross of life without flinching—shall we doubt that he has won its Crown?

HOLGER DEROODE,
J. H. STEVISON,
E. R. WETMORE,
Committee.

The President—

Gentlemen, you have heard the report of your Committee on the death of Mr. Thomas H. Webster. What is your pleasure?

Upon motion of a member, duly seconded, the report of the Committee was received and adopted by a unanimous rising vote.

[REDACTED]



THOMAS H. WEBSTER,
GENERAL AGENT COMMERCE INS. CO. OF ALBANY.

In Memo.

1901.

Thomas B. Welch

CHICAGO, ILL.

General Agent Commerce & Co.
of Albany.

Died January 30, 1901.

AGED 55 YEARS.



JOHN A. FOSTER,
PRESIDENT OF THE
SOCIETY OF ALBANY.

In Memoriam.

1901.

Thomas H. Webster,

CHICAGO, ILL.

**General Agent Commerce Ins. Co.
of Albany.**

Died January 30, 1901.

AGED 55 YEARS.

The President—

The next memorial we have is on the death of Mr. Robert Jordan Smith. Unfortunately, the chairman of the Committee who prepared this resolution is not in the city; but I see in our audience Mr. I. S. Blackwelder, Mr. Smith's oldest friend, and I am going to take the liberty of asking Mr. Blackwelder to present this resolution to us on the death of Mr. Robert J. Smith.

Whereupon Mr. Blackwelder read the following report:

REPORT OF COMMITTEE UPON THE DEATH OF
MR. ROBERT JORDAN SMITH.

Robert Jordan Smith, for twenty-seven years Secretary and Manager of the Traders Insurance Company of Chicago, passed this life on the 7th day of January of this year. He was one of the oldest and best-loved members of the Fire Underwriters' Association of the Northwest. His name is on the first roster of the Association, and his memory will be enshrined forever in our hearts. The fidelity and good-fellowship of Mr. Smith made him one of the strong links that for years have bound us together. His death takes from us a loyal member, a delightful companion and a wise counselor.

We keenly regret to again record the loss of one more of that old guard, who, by precept and example, have worked so faithfully to put the business of fire underwriting on a firmer foundation, and its ethics on a higher plane.

As a Local and Special Agent, General Agent and Manager, he was honorable and successful; earnestly devoted to family, friends and business. A good citizen in the highest and broadest sense. He passed through the vale and shadow with a courageous spirit; he walked the last road speaking comfort to those he loved and left behind, saying "good-bye all" as he passed on.

S. A. ROTHERMEL,
A. J. HARDING,
EUGENE CARY,

Committee.

The President—

Gentlemen, you have heard the report of your Committee on the death of Mr. Robert Jordan Smith. What is your pleasure?

Upon motion of Mr. Townley, duly seconded, the resolution was received and adopted by a rising vote.



ROBERT JORDAN SMITH,
SECRETARY AND MANAGER TRADERS INS. CO. OF CHICAGO.

The Democrat

1911.

Robert Jordan

CHICAGO, ILL.

Secretary and Manager
Co. of Chicago.

Died January 7, 1911.

AGED 64 YEARS.



CAPT. JORDAN SMITH,

1ST ILL. INF. REGT., CO. OF CHICAGO.

In Memoriam.

1901.

Robert Jordan Smith,

CHICAGO, ILL.

**Secretary and Manager Traders Ins.
Co. of Chicago.**

Died January 7, 1901.

AGED 64 YEARS.

The President—

I would like to hear from the Committee on the death of Mr. William D. Bradshaw—Messrs. W. E. Mariner, D. S. Wagner, Geo. R. Crosley, Committee. Is Mr. Crosley in the room? If not, I will ask Mr. Robert S. Odell to kindly read the memorial on the death of Mr. W. D. Bradshaw.

Mr. Odell—

Will you kindly have Mr. Hubble read it, please?

The President—

Mr. Hubble, will you kindly read the memorial on Mr. Bradshaw's death?

The resolution of memorial on the death of Mr. Bradshaw was thereupon read by Mr. John P. Hubble as follows:

REPORT OF COMMITTEE UPON THE DEATH OF MR. WILLIAM D. BRADSHAW.

William David Bradshaw was born at Bolivar, Ohio, January 3, 1851. He received a high school education at Lockport, N. Y., and in 1867 began his business career in the home office of the American Insurance Company of Freeport—afterwards the American of Chicago.

He remained with that company fifteen years, was four years assistant to Manager C. H. Case of the London and Lancashire and Royal, and in 1886 was appointed General Agent of the Union of Philadelphia in the Western field. March 1, 1900, he became Special Agent of the Firemens of Newark, which position he occupied at the time of his death, March 24, 1901.

Mr. Bradshaw was a conservative underwriter, a man of independent judgment, self-reliant and firm. He was broadminded, generous and open hearted, and in his death this Association loses a valued member and his personal associates a faithful, true and loyal friend.

W. E. MARINER,
D. S. WAGNER,
GEO. R. CROSLY,
Committee.

The President—

Gentlemen, you have heard the report of your Committee on the death of Mr. Bradshaw. What is your pleasure?

Upon motion of a member, duly seconded, the report was received and adopted by a rising vote.



WILLIAM D. BRADSHAW,
SPECIAL AGENT FIREMENS INS. CO. OF NEW JERSEY.

The Death of

1901

William D. Bond

CHICAGO, ILL.

Special Agent Fireman's Union
of New Britain.

Died March 24, 1901.

AGED 50 YEARS



J. D. F. ALSBURY,

INS. CO. OF N. J. & JERSEY.

In Memoriam.

1901.

William D. Bradshaw,

CHICAGO, ILL.

**Special Agent Firemens Ins. Co.
of New Jersey.**

Died March 24, 1901.

AGED 80 YEARS.

The President—

Next, I would like to hear from the Committee of Memorials on the death of Mr. W. C. Butterfield—Mr. W. R. Townley, chairman, Messrs. Ira Welsh and H. R. Loudon, Committee.

If Mr. Townley is not in the room at the moment, we will pass that until later.

The report of the Committee on the death of Mr. Charles E. Lemon—Mr. John C. Ingram, chairman, Messrs. Frank Ritchie and J. H. Gray, Committee. Is Mr. Ingram in the room? If not, I will ask Mr. Gray, a member of the Committee, to read the report on the death of Mr. Lemon.

Mr. Gray then read the following memorial:

REPORT OF COMMITTEE UPON THE DEATH OF MR. CHARLES ELSWORTH LEMON.

November 17, 1859 — July 16, 1901. These two dates mark the beginning and the end of the earthly career of a man whose influence for good upon his associates and in his chosen field of labor, will not cease with his death.

Mr. Lemon was born at Centerville, Wayne County, Indiana, his parents soon after removing to Richmond, where his early years were spent. At the age of fourteen years he was teaching school in his native county, and two years later was following the same vocation near Goshen, Indiana; later he removed to Indianapolis and engaged in business as a produce commission merchant.

In 1880 he returned to Richmond, where he entered into the Local Agency field, the beginning of his life's most valuable work. Remaining in the local business for about five years, he, early in 1885, accepted a position with the Traders Insurance Company of Chicago, and became its Special Agent for Ohio, Indiana and Kentucky, and faithfully and successfully served that company until 1889, when he took service with the Lancashire Insurance Company of England, under the old central department at Cincinnati. During the several department changes of the Lancashire his excellent record in the field made his position secure, and he remained with that company as Special Agent for Indiana until its absorption by the Hartford Insurance Company last spring, when he accepted a similar position with the Insurance Company of North America, in whose service he was employed at the time of his death.

As a member of the Indiana Association of Underwriters his ability and integrity were never questioned, and his worth was recognized in his election to the important offices of Secretary, Chairman of Executive Committee and Vice-President. His most valuable and best appreciated work was performed as Secretary of the Indiana Association. Always efficient and systematic, his labors placed that office upon a higher plane, and gave to that Association and to the State a system of records and ratings that had never before been approached. To him much credit is due for the friendly spirit existing between In-

diana field men and for the effective manner in which the work has been carried on in that state.

Faithful and conscientious in his work, quiet and genial in disposition, firm when occasion demanded, courteous in address, open-hearted, unassuming, honest, upright and competent, he was justly entitled to the respect, confidence and esteem in which he was universally held by the entire insurance fraternity of Indiana.

His home life was beautiful in character. His love, solicitude and affection for wife and children was reciprocated by them to the fullest extent. His home was a happy home, and was to him a source of comfort, strength and joy.

A just man; a true citizen; an honest competitor; a faithful friend; we bring this our humble tribute to his memory, and pray that the influence of his example may be felt in our lives and that the benediction of his faithful life may rest upon us who remain.

JOHN C. INGRAM,
FRANK RITCHIE,
J. H. GRAY,

Committee.

The President—

Gentlemen, you have heard the report of your Committee on the death of Mr. Charles E. Lemon. What is your pleasure?

Upon motion of Mr. Cyrus Woodbury, duly seconded, the report was unanimously adopted by a rising vote.



CHARLES ELSWORTH LEMON,
SPECIAL AGENT INSURANCE CO. OF NORTH AMERICA AND
PHILADELPHIA UNDERWRITERS.

In Memoriam

1901.

Charles Elsworth Jr.

INDIANAPOLIS, IND.

Special Agent
Insurance Co. of North America
Philadelphia Underwriter.

Died July 16, 1901.

AGED 42 YEARS



W. S. ELSWORTH LEMON,
INSURANCE CO. OF NORTH AMERICA AND
PHILADELPHIA UNDERWRITERS.

In Memoriam.

1901.

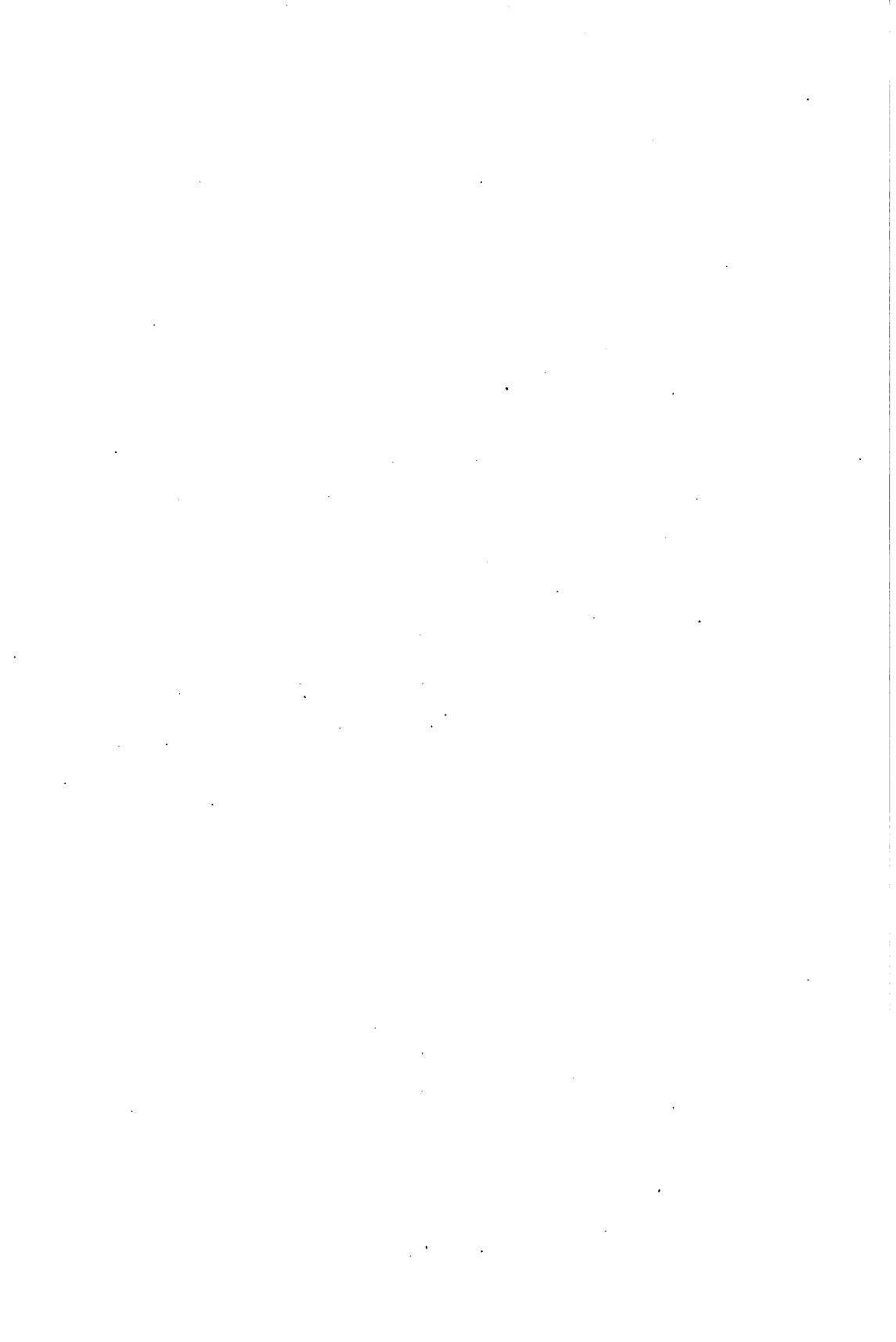
Charles Elsworth Lemon

INDIANAPOLIS, IND.

Special Agent
Insurance Co. of North America and
Philadelphia Underwriters.

Died July 16, 1901.

AGED 42 YEARS.



The President—

I would like to hear from the Committee on the death of Mr. Michael R. McGill—Mr. Frank Ritchie, chairman, Messrs. William M. Monroe and J. O. Wright, Committee. Is there any member of this Committee in the room?

Mr. Wright—

I am a member of the Committee, but Mr. Ritchie is the chairman.

The President—

I would like to have you read the memorial that has been handed to the Secretary.

Whereupon the report of the Committee appointed to draft resolutions on the death of Michael R. McGill was read by Mr. Wright, as follows:

REPORT OF COMMITTEE UPON THE DEATH OF MR. MICHAEL R. MCGILL.

MR. PRESIDENT AND GENTLEMEN OF THE ASSOCIATION:

Michael R. McGill was born in Ohio, Sept. 23, 1854. In the early seventies he began his business career in the City of Cincinnati in the profession of Fire Insurance. For several years Mr. McGill was chief clerk in the city department of John S. Law & Son. He subsequently accepted a position as accountant in a Cincinnati banking institution, rendering efficient service for some years.

March, 1882, he returned to the profession of his earlier choice, becoming Special Agent for the American Fire Insurance Company of Philadelphia under Manager E. Francis at Cincinnati; and subsequently under the management of C. E. Bliven he gave twelve years of service to the American in the states of Ohio, Kentucky and West Virginia.

In 1894 he was appointed Special Agent for the same territory for the Hanover Fire Insurance Company under H. P. Gray, resigning therefrom in 1899 to enter the service of the Sun Insurance Office.

Mr. McGill passed from this life June 11, 1901, at Mainville, Ohio, in his forty-seventh year.

Mr. McGill enjoyed a successful career. He was ever known as diligent in business, possessing a high sense of honor in his dealings with his fellow men. His integrity was unquestioned.

To his associates and friends, of which he had a host, his cheerful happy disposition and kindly character was an inspiration, and the light of his presence will be sadly missed.

Happily married to Miss Anna S. Smith, in 1890, he suffered great bereavement at her death in a few brief years. A daughter, Marie, survives him. To her the father leaves a rich heritage of love and

affection; to his friends and associates, a memory dear to them in the kind and faithful qualities that make men lovable.

FRANK RITCHIE,
WM. M. MONROE,
J. O. WRIGHT,
Committee.

The President—

Gentlemen, you have heard the report of your Committee on the death of Mr. McGill. What is your pleasure?

Upon motion of Mr. Stephens, the report of the Committee was unanimously adopted by a rising vote.



MICHAEL R. MCGILL,
SPECIAL AGENT SUN INSURANCE OFFICE.

In Memory of

1901.

Michael R. Allen

CINCINNATI, OHIO

Special Agent San Francisco

Died June 11, 1901

AGED 47 YEARS



MR. J. H. MCGILL,
CHIEF OF BUREAU OF THE
BUREAU OF THE CITY.

In Memoriam.

1901.

Michael R. McGill

CINCINNATI, OHIO.

Special Agent Sun Insurance Office.

Died June 11, 1901.

AGED 47 YEARS.

The President—

I would like to hear from the Committee on the death of Mr. Christian Stawitz—Mr. J. D. Fleming, chairman, Messrs. Walter Scott and H. C. Stuart, Committee. Is any member of that Committee in the room?

A Member.—

Mr. Scott is in the room.

The report of the Committee on the death of Christian Stawitz was then read by Mr. Scott, a member of the Committee, as follows:

REPORT OF COMMITTEE UPON THE DEATH OF MR. CHRISTIAN STAWITZ.

The Fire Underwriters' of the Northwest have heard, with deep regret, of the death of our old and valued friend, Christian Stawitz, which occurred at St. Louis on May 29, 1901.

For many years he was an honored member of this organization. Conspicuous among the older field men of the Northwest Association, known and loved by insurance men everywhere, the announcement of his death comes as a sharp admonition of the fact that one by one "The Old Guard" are closing up their accounts.

Christian Stawitz was a man, the memory of whose strong business qualities and kindly social instincts will long endure among members of this Association.

He was tireless in his devotion to the interests of his company. Faithfulness was one of his marked characteristics. Before being stricken by the foe that finally conquered him, he was always a busy man. Not only that, but his energy was ever intelligently directed. As a counselor in an emergency he was safe. Without the brilliancy of genius, by hard work and hard common-sense, he left his impress upon his profession, and while those of us who were associated with him live, his influence will be felt.

Both inside and outside of his business relations, Christian Stawitz was a man with a big heart. Here was his chief charm. All who came within the magic influence of his hearty laugh and his kindly deeds were his friends for life. He brightened the pathway of all who touched him. The sky always shone the brighter when Chris Stawitz came; his bluff heartiness chased away many an attack of the blues; the greatest misanthrope ever had for him a glad hand.

At home it was his unwearying pleasure to attend to the wants of those bound to him by ties of nature. He was the support of his aged father and mother for many years and his kindly care of his sister was, to all who knew of it, an inspiration and a blessing.

By his unselfish and cheerful recognition of the claims of others upon him he revealed the pure gold in his character.

He died comparatively poor, but the things he did are as an immeasurable increment laid up "where neither moth nor rust doth corrupt, and where thieves do not break through nor steal."

As a small tribute to the mind and heart of our deceased friend, we have set down these unconventional lines as a plain statement about a plain, true man, whose like we will not soon look on again.

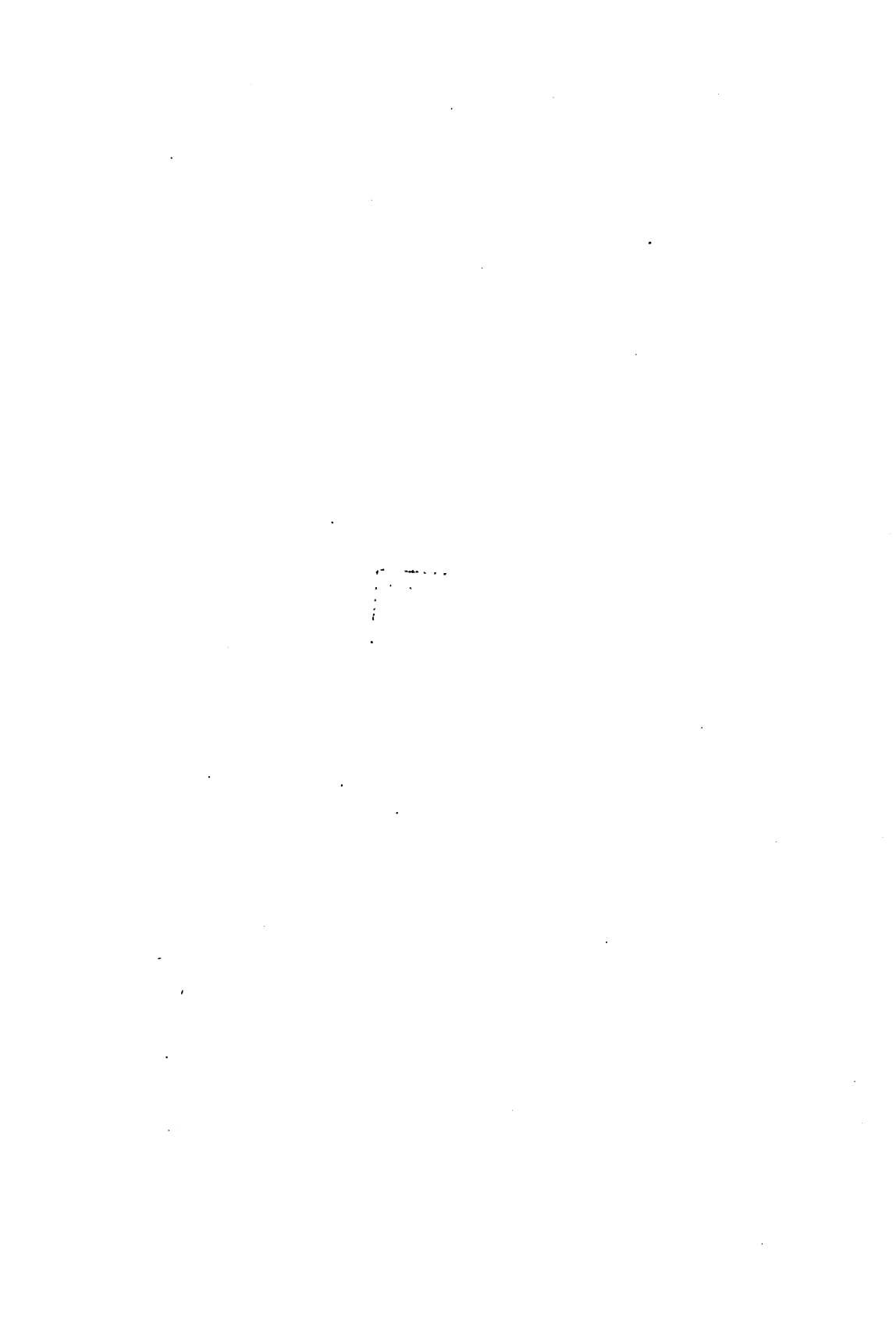
J. D. FLEMING,
WALTER SCOTT,
H. C. STUART,

Committee.

The President—

Gentlemen, you have heard the report of your Committee on the death of Mr. Stawitz. What is your pleasure?

Upon motion of Mr. Odell, duly seconded, the report of the Committee was unanimously adopted by a rising vote.





CHRISTIAN STAWITZ,
ADJUSTER HARTFORD FIRE INS. CO.

In Memoriam

1901.

Christian Science

ST. LOUIS, MO.

Edwister Hartford Johnson

Died Dec. 1, 1901.

AGED 67 YEARS.



CHRISTIAN STAWITZ,
Vice-President, Good Fire Ins. Co.

In Memoriam.

1901.

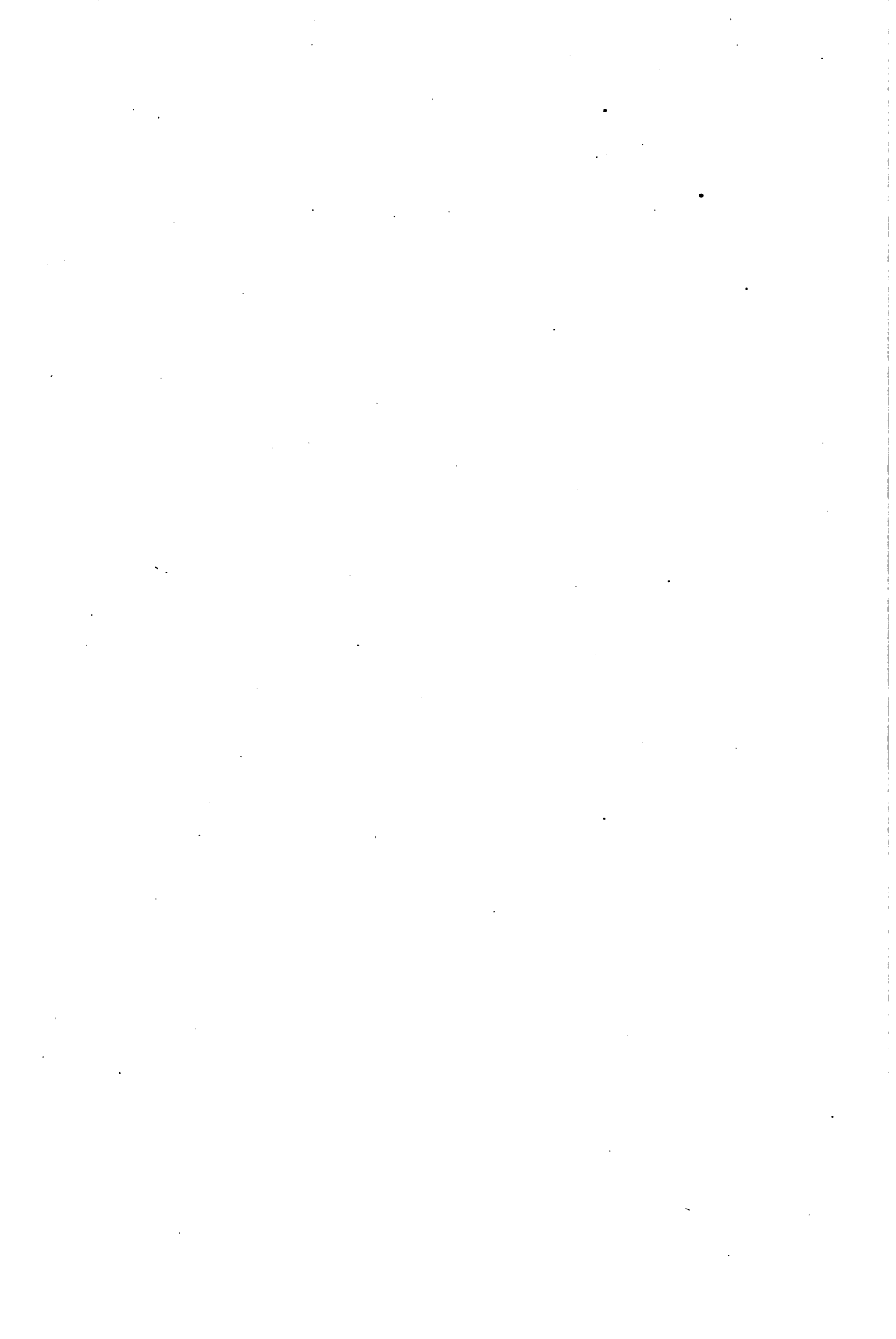
Christian Stawitz,

ST. LOUIS, MO.

Adjuster Hartford Fire Ins. Co.

Died May 29, 1901.

AGED 62 YEARS.



The President—

I would like to hear from the Committee on the death of Mr. Dallas C. Tillotson—Mr. M. H. N. Raymond, chairman, Messrs. D. W. Andrews and Fred W. Williams, Committee. There being none of the members present we will pass that temporarily.

The Committee on the death of Mr. J. H. Warner—Mr. J. E. Davies, chairman, Messrs. W. E. Page, George G. Williams and L. S. Tuttle, Committee.

The report of the Committee on the death of Mr. Warner was then read by Mr. Davies, Chairman of the Committee, and is as follows:

REPORT OF COMMITTEE UPON THE DEATH OF MR. JOHN H. WARNER.

MR. PRESIDENT AND GENTLEMEN OF THE ASSOCIATION:

Mr. John H. Warner, an honored member of this Association, passed beyond on the 6th day of April, 1901, at his home in Milwaukee, Wisconsin, ripe in experience and having left his impress on the business he loved. His early manhood was devoted to mercantile pursuits, from which he graduated into the Local Agency business in 1874, later serving the Phenix of Brooklyn for a time as Special Agent, and for eighteen years, until his death, was State Agent in Wisconsin for the Insurance Company of North America and its associated companies, giving them valuable and uninterrupted service.

Mr. Warner was an eminently upright, honest man; earnest, constant, kind; faithfully discharging his every duty and winning the esteem and affection of his associates, among whom few were more popular and none more respected. He believed in correct practices and his voice and example were ever for right and justice and in denunciation of wrong. In his family he was the fulfillment of the ideal as husband and father.

His life was pure and the world was richer for it. His memory will ever be cherished.

J. E. DAVIES,
W. E. PAGE,
GEO. G. WILLIAMS,
L. S. TUTTLE,
Committee.

The President—

Gentlemen, you have heard the report of your Committee on the death of Mr. John H. Warner. What is your pleasure?

Upon motion of Mr. E. V. Munn, duly seconded, the report of the Committee was unanimously adopted by a rising vote.

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JOHN H. WARNER,
STATE AGENT AND ADJUSTER INSURANCE CO. OF NORTH AMERICA AND
PHILADELPHIA UNDERWRITERS.

In Memoriam

1901.

John D. Williams

MILWAUKEE, WIS.

State Agent and Agent
Insurance Co. of North America
Philadelphia Underwriters

Died April 6, 1901

AGED 69 YEARS



JOHN H. WARNER,

MANAGER, MUTUAL INSURANCE CO. OF NORTH AMERICA AND
PHILADELPHIA UNDERWRITERS.

In Memoriam.

1901.

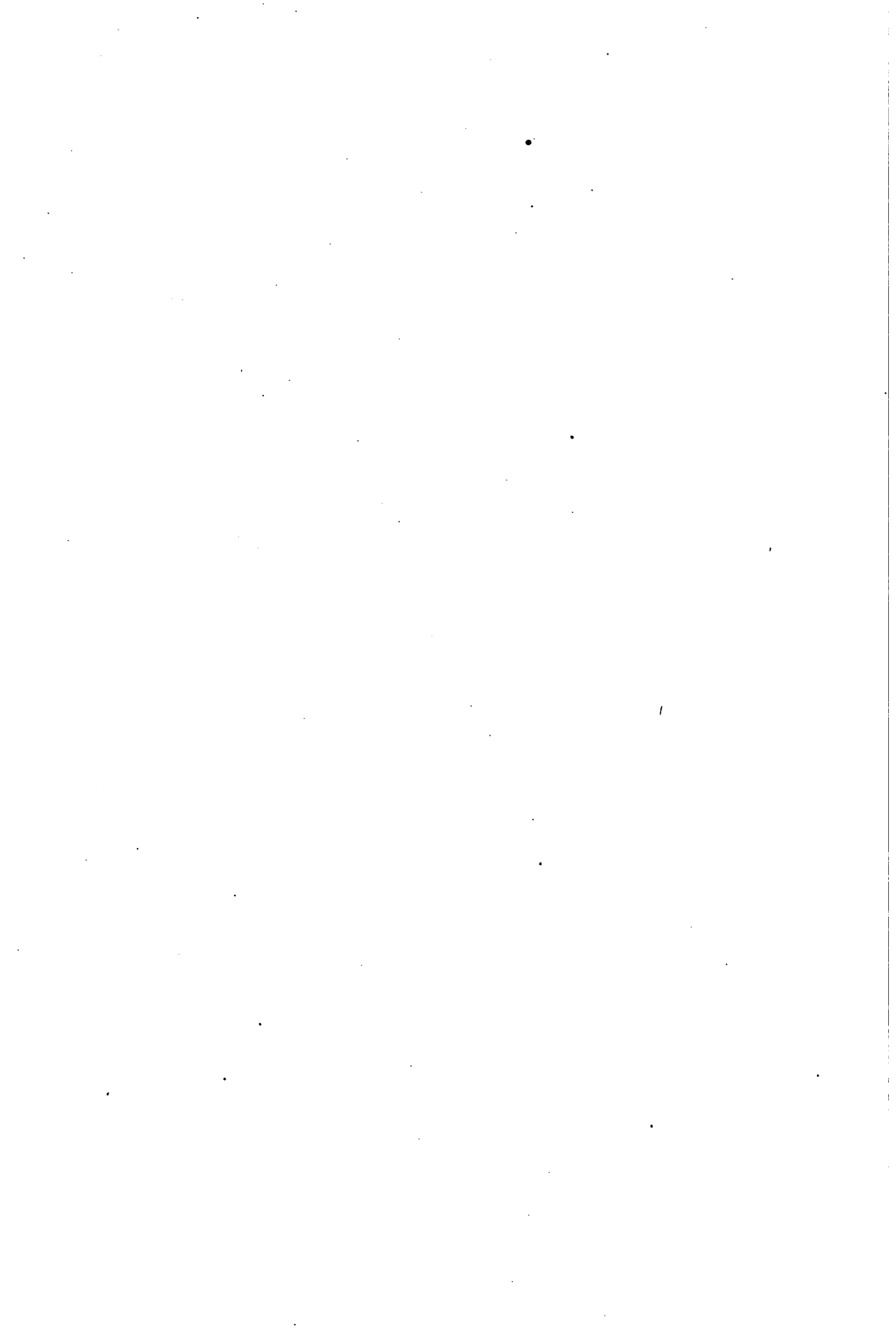
John D. Warner,

MILWAUKEE, WIS.

**State Agent and Adjuster
Insurance Co. of North America and
Philadelphia Underwriters.**

Died April 6, 1901.

AGED 69 YEARS.



The President—

I would like to hear from the Committee on the death of Mr. H. H. Whitlock—Mr. A. C. Mink, chairman, Messrs. Carroll L. DeWitt, F. W. Little and William E. Rollo, Committee.

The report of the Committee on the death of Mr. Whitlock was read by the Chairman of the Committee, as follows:

REPORT OF COMMITTEE UPON THE DEATH OF MR. HAROLD H. WHITLOCK.

Death has taken from our ranks another member of this Association, Mr. Harold H. Whitlock. After an illness of only one month he passed to the better life on Thursday, March 21, 1901.

He had been in the service of the Delaware and Reliance Insurance Companies of Philadelphia since the establishment of the Western Department office as Special Agent, Assistant Manager and Manager.

He was the youngest of the Western Department managers, being only thirty years of age. He received his early training in the office of his father, J. L. Whitlock, Manager of the Western Department of the Glens Falls Insurance Co., became Special Agent of the Delaware and Reliance in 1893, and was promoted to be Assistant Manager for those companies in 1898. In the following January he was advanced to the position of Manager, and his successful administration amply justified the advancement. His business life was marked by that fidelity and earnestness of purpose that brings the reward of success. Yet, in the spring of life, with a bright future before him and much of hope's ambition unattained, he has been taken from us. We mourn him as a cheerful friend and co-worker, and extend to his family our sympathy in the loss of a loving husband, son and brother.

A. C. MINK,
CARROLL L. DEWITT,
F. W. LITTLE,
WM. E. ROLLO,
Committee.

The President—

Gentlemen, you have heard the report of your Committee on the death of Mr. H. H. Whitlock. What is your pleasure?

Upon motion of Mr. Rassweiler, duly seconded, the report of the Committee was unanimously adopted by a rising vote.



HAROLD H. WHITLOCK,
MANAGER DELAWARE AND RELIANCE INSURANCE COMPANIES.

In Memory of

1901

H. H. White

CHICAGO

Manager Delaware
Insurance Co.

Died Jan 15, 1901

AGED 37 YEARS



FARGOLD H. WHITLOCK,
NEW YORK LIFE AND RETIREMENT INSURANCE COMPANIES.

In Memoriam.

1901.

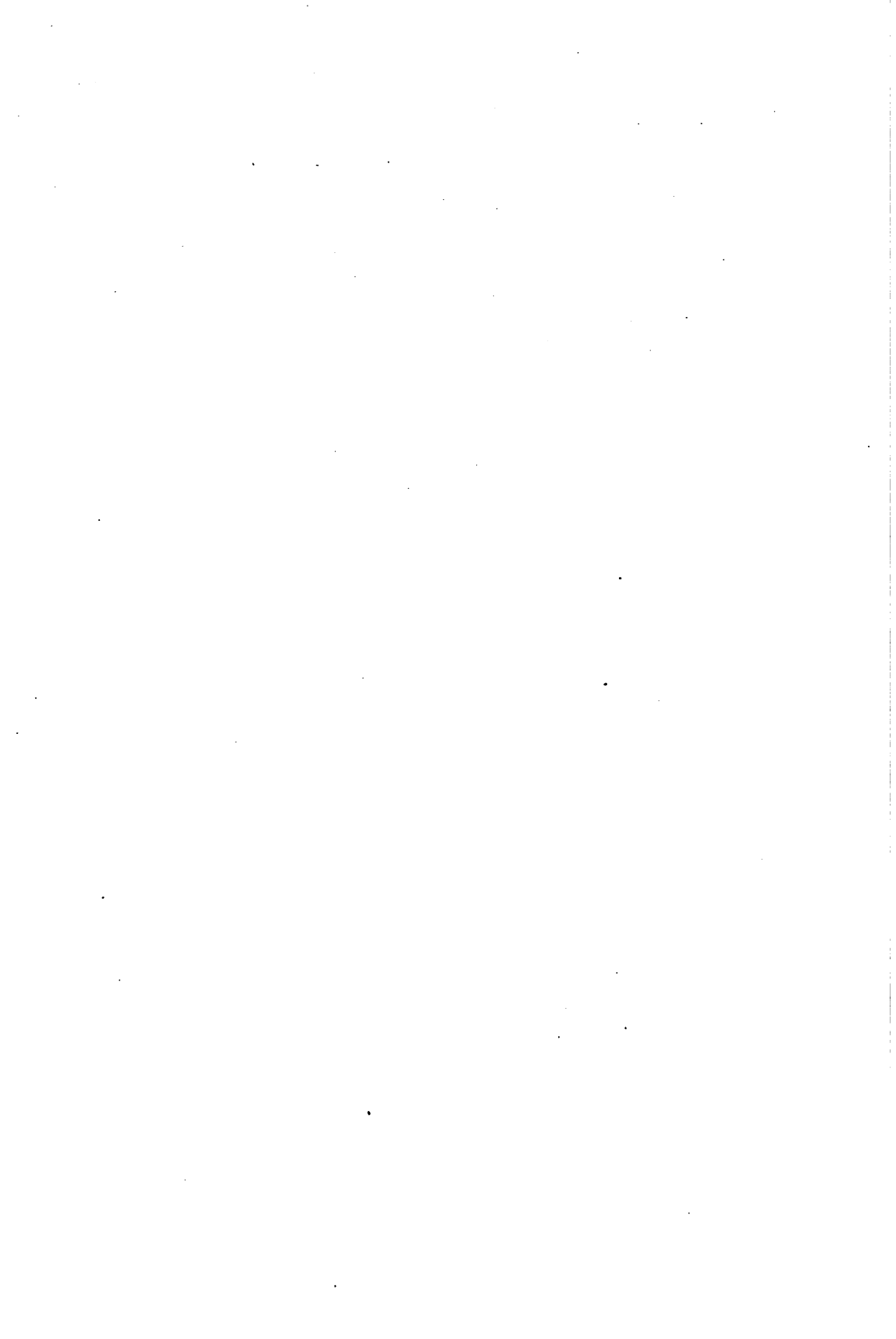
H. H. Whitlock,

CHICAGO, ILL.

**Manager Delaware and Reliance
Insurance Companies.**

Died March 21, 1901.

AGED 30 YEARS.



The President—

The Committee on the death of Mr. H. E. Bowers—Messrs. W. J. Littlejohn, D. C. Osmun and H. C. Eddy, Committee.

Mr. Eddy, Chairman of the Committee, then read the following memorial on the death of Mr. Bowers:

REPORT OF COMMITTEE UPON THE DEATH OF MR. HENRY E. BOWERS.

MR. PRESIDENT AND MEMBERS OF THE FIRE UNDERWRITERS' ASSOCIATION
OF THE NORTHWEST:

Your Committee to whom was referred the death of our co-worker, Henry E. Bowers, the genial, forceful, former United States Manager of the North British and Mercantile Insurance Company and an early member of this Association, which he joined on *September 19, 1877*, beg leave to report as follows:

As a leading paper has aptly said of Mr. Bowers, he was "an underwriter of marked ability and a notable figure in the history of fire insurance in America; a strong, positive, yet lovable character. He had the friendship and high esteem of the best and most prominent men in his profession, and even those who sometimes disagreed with his opinions, admired him for his courage and sincerity. By all who knew him the intelligence of his death was received with the keenest regret."

Mr. Bowers' rise in his chosen profession was rapid and in keeping with his recognized ability.

Born at Bozrah, Conn., on December 3, 1840, he passed most of his early years in seeking knowledge and received his primary education in the academy in that city. His first work was that of a school teacher.

He afterwards was successfully city editor of the Norwich Bulletin and confidential clerk in the War Department in Washington.

In 1864 he entered the fire insurance business in which he afterwards achieved such distinction, his first position being that of accountant in the Norwich Fire Insurance Co.; he being promoted to the secretaryship the following year.

In 1868 Mr. Bowers moved to New York and engaged in the Local Agency business, as a member of the firm of Skeels, Bowers & Boughton, the firm also representing as General Agents the Firemens Fund and the Union of San Francisco.

In 1872 Mr. Bowers formed his connection with the company with whom his name is always associated, the North British and Mercantile of London and Edinburgh, serving them first as Special Agent in New England, where he was so successful as to lead to his being offered, after only four years' service, the United States Managership of the Guardian of London.

This position he filled with honor and distinction until in 1894 he was again called to the service of the North British and Mercantile, this time to fill the highest position in the gift of that institution on

this side of the water, which position Mr. Bowers retained until his final resignation from active business on the first of January, 1900 — the company insisting however upon his retention of his seat in the Board of Directors, of which he was vice-chairman.

As was natural, Mr. Bowers was called upon to occupy a place on many important committees and was at one time Chairman of the Executive Committee of the National Board of Fire Underwriters.

Not only was Mr. Bowers distinguished as a business man, but that he had many social qualifications is evidenced by the fact that he was a member of many clubs, a thirty-second degree Mason, a Knight Templar and a Mystic Shriner.

It goes without saying therefore that in the troublous times through which we are now passing, a gentleman of the ability of Mr. Bowers, upon whose counsels we relied so thoroughly, can be illy spared.

The only consolation which we on this side of the Great Divide can have, being that he has entered into that rest which he has so richly deserved.

W. J. LITTLEJOHN,

D. C. OSMUN,

H. C. EDDY,

Committee.

The President—

Gentlemen, you have heard the report of your Committee on the death of Mr. Henry E. Bowers. What is your pleasure?

Upon motion of Mr. Palmer, duly seconded, the report of the Committee was unanimously adopted by a rising vote.

1977-1978



HENRY E. BOWERS,
FORMER UNITED STATES MANAGER NORTH BRITISH AND
MERCANTILE INS. CO.

In Memoriam

1901.

Henry C. Folger

NEW YORK CITY, N. Y.

Former United States Senator
North British and Mercantile Bank



HENRY E. BOWERS,
U. S. STATES MANAGER NORTH BRITISH AND
MARCANILE INS. CO.

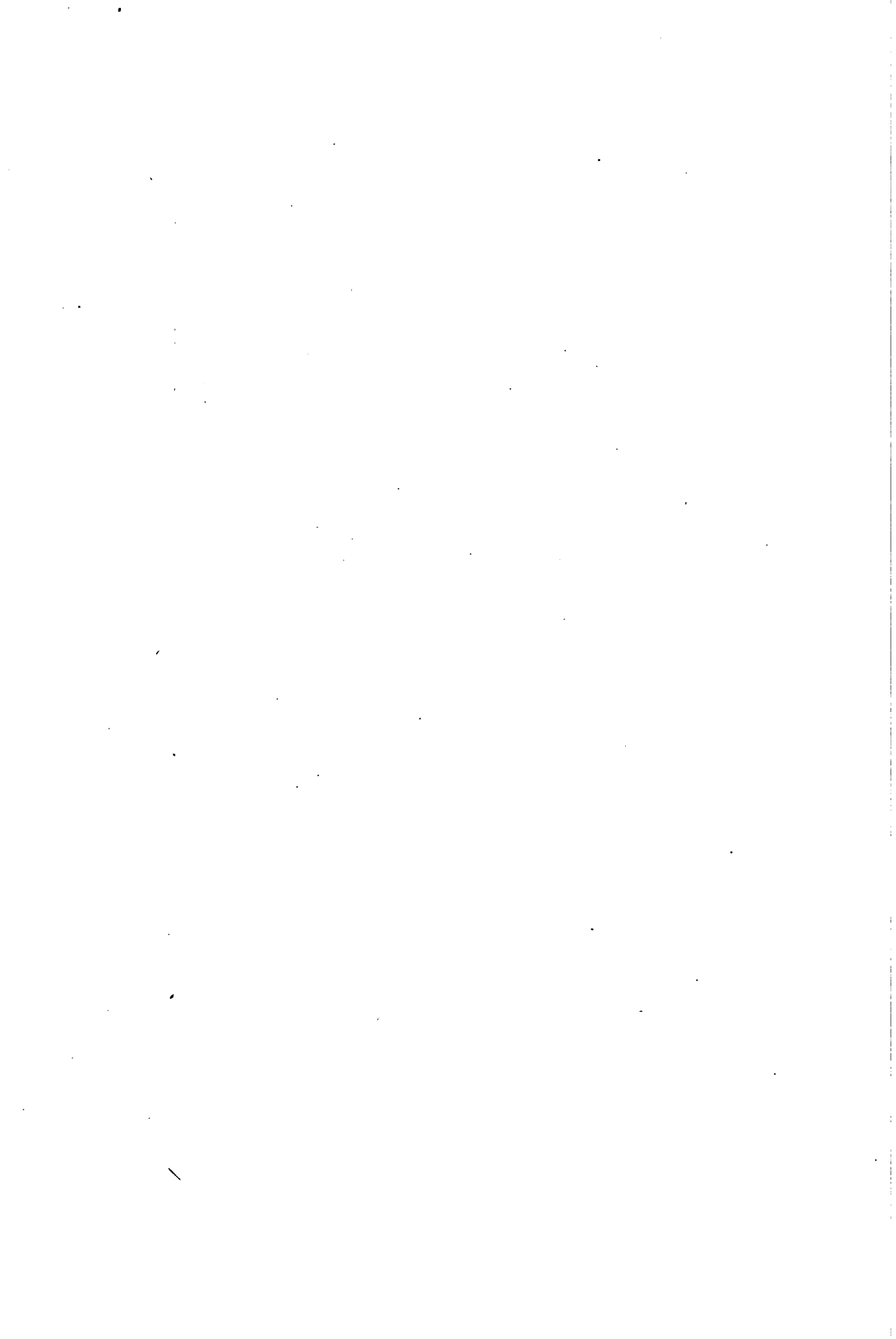
In Memoriam.

1901.

Henry C. Bowers,

NEW YORK CITY, N. Y.

**Former United States Manager
North British and Mercantile Ins. Co.**



The President—

Is the Committee on the death of Mr. W. C. Butterfield ready—
Mr. W. R. Townley, chairman, Messrs. Ira Welsh and H. R. Loudon,
Committee?

A Member—

Mr. Townley will be here in a very few minutes.

The President—

The Committee on the death of Mr. Dallas C. Tillotson—Mr.
M. H. N. Raymond, chairman, Messrs. D. W. Andrews and Fred W.
Williams, Committee. Is that Committee ready to report?

(No response.)

Gentlemen, it is in order at this time, if any member has any
motion to present or any business to bring before the meeting we will
be very glad to hear it. Our session is nearly over. After we hear
the two remaining memorial reports, we will proceed to the election
of officers, but this is the proper time, if there is any new business to
be brought before the Association, and I will be glad to entertain any
motion or any business.

Mr. Hayes—

Mr. President, I would like to move that the Association vote its
appreciation and thanks to our President for his work in getting up
this program. I have been a member of this Association many years;
I have attended many meetings of it, many good meetings, but I think
the proceedings of this meeting when they are put in shape will be
perhaps the most interesting, instructive and valuable that we have
ever had. I move a vote of thanks to the President for his work in
the preparation of the program. All in favor of that will signify it
by saying Aye.

The motion of Mr. Hayes was unanimously carried.

The President—

Thank you, Mr. Hayes and gentlemen, for your very graceful
acknowledgement, which I appreciate very highly indeed.

Is it your pleasure to wait longer for these Committees, or shall
we move to have these reports printed?

Mr. Smith—

I move that they be read by the Secretary.

The President—

We have not the reports here.

Mr. Smith—

I move that they be accepted and approved and printed in the proceedings.

The President—

Before I put any motion, I would ask Mr. Raymond, who has just come to the room, if the report of the Memorial Committee on the death of Mr. Tillotson is ready?

Mr. Raymond—

It is, Mr. President, and was placed in the hands of Mr. D. W. Andrews. He is not here now, but it will be handed in.

The President—

The motion before the house is to have that report printed and also the report on the death of Mr. Butterfield. All those in favor of the motion will signify it by saying Aye.

The motion was unanimously carried and the reports of the Memorial Committees on the deaths of Messrs. Dallas C. Tillotson and W. C. Butterfield appear in full herewith:

REPORT OF COMMITTEE UPON THE DEATH OF MR. DALLAS C. TILLOTSON.

Dallas C. Tillotson was born in Glens Falls, N. Y., May 30, 1844. His first business experience was in the saw mill and lumber business at Glens Falls, being associated with his father.

In the early seventies they transferred their interests to Muskegon, Mich., where, sometime afterwards, he turned his attention to insurance matters and became one of the prominent Local Agents of that city.

His energy and ability attracted the attention, not only of his daily associates, but of the Westchester Insurance Company, which company appointed him its State Agent for Michigan in February, 1890, which position he held from that time until the time of his death, which occurred at Detroit, December 13, 1900, after a sudden illness which overtook him while on a trip to that city in connection with the interests of his company.

We who knew him best will remember the warm shake of the hand which was always forthcoming and which bespoke the pulsation of a loving heart, overflowing with kindly feeling at all times.

We miss him, we always will miss him. The name of Dal was dear to us, for only to know him was to love him.

To the bereaved widow and daughter we extend our heartfelt sympathy.

M. H. N. RAYMOND,
D. W. ANDREWS,
FRED W. WILLIAMS,
Committee.



DALLAS C. TILLOTSON,
STATE AGENT WESTCHESTER FIRE INS. CO.

In Memoriam.

1901.

Dallas C. Tillotson,

MUSKELGON, MICH.

State Agent
Westchester Press Co.

Died December 11, 1901.

AGED 46 YEARS.



THOMAS C. TILLOTSON,

MANAGER, WESTCHESTER FIRE INS. CO.

In Memoriam.

1901.

Dallas C. Tillotson,

MUSKEGON, MICH.

**State Agent
Westchester Fire Ins. Co.**

Died December 13, 1900.

AGED 66 YEARS.

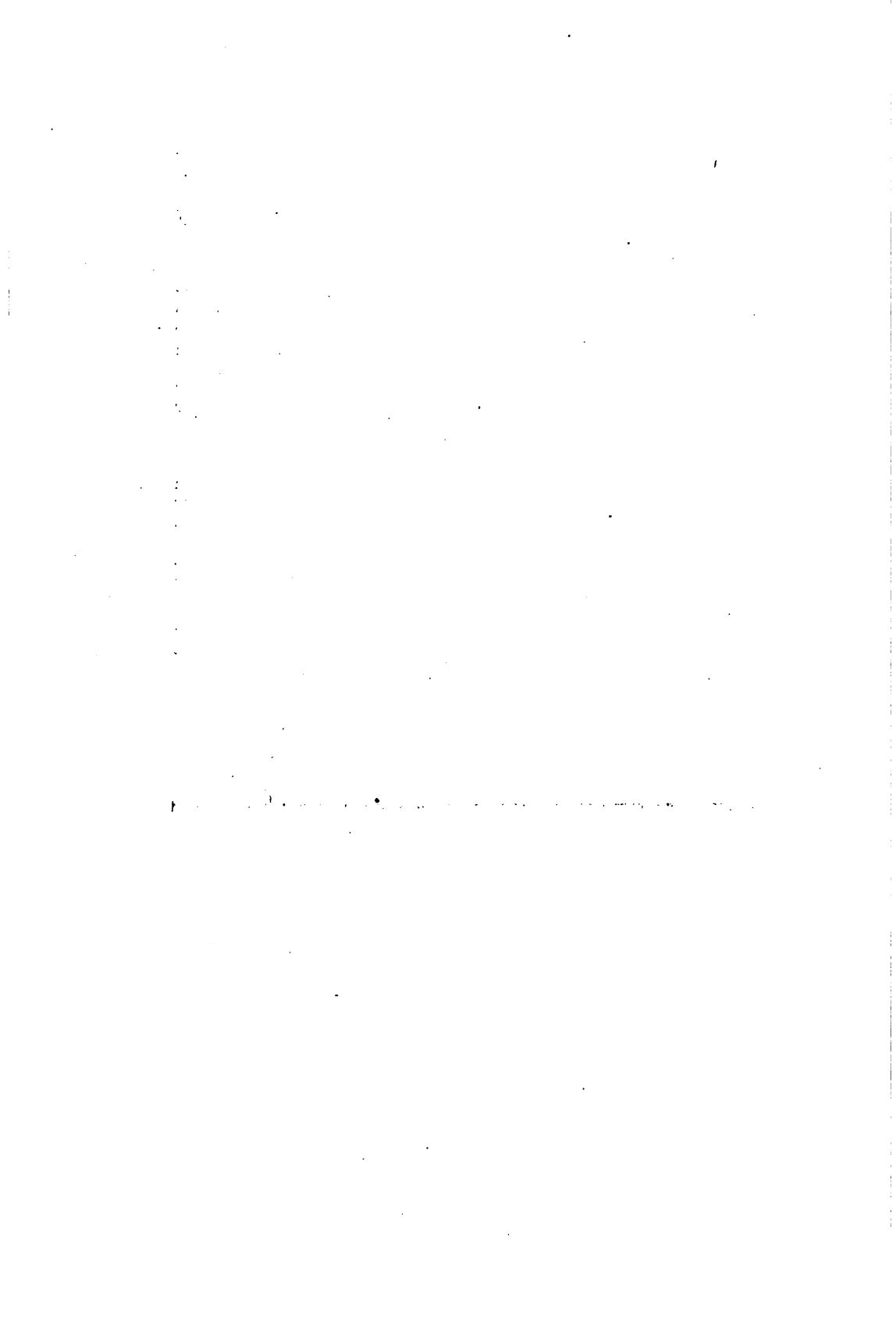
REPORT OF COMMITTEE UPON THE DEATH OF
MR. WILLIAM C. BUTTERFIELD.

William C. Butterfield was born in Farmington, Maine, February 18, 1841, and spent his boyhood days in that vicinity. In the late fifties he came West and settled in Dayton, O., entering as paymaster in the service of the railroad now known as the Cincinnati, Hamilton & Dayton. When the Civil War broke out he went into the Quartermaster's Department, being stationed at Nashville and acting as Quartermaster during some of the trying times of the war, after which he became cashier of a bank in Nashville, abandoning that position to enter the service of the Phoenix Insurance Company of Hartford, and no Adjuster in all this grand valley of the Mississippi was better known, better loved, or more faithful to his employers than our late lamented friend. He had scarcely completed his sixtieth year when the summons came that called him from us on January 29, 1901, and without fear, but with the perfect resignation which comes to those who have been upright, faithful and true, he entered into rest.

Mr. Butterfield was twice married and leaves a widow and five children to whom our Association extends its sincere sympathy.

No eulogy is necessary at this time. Those of us who knew Butterfield well, realize that he would ask for none; and the simple record of his life would be all that he would wish at our hands. It is eulogy enough.

W. R. TOWNLEY,
IRA WELCH,
H. R. LOUDON,
Committee.





WILLIAM C. BUTTERFIELD,
GENERAL ADJUSTER PHOENIX INS. CO. OF HARTFORD.

In Memoriam

1901.

William C. Goodrich

ST. LOUIS, MO.

General of
Phoenia Lodge

Died January 1, 1901



WILLIAM C. BUTTERFIELD.

SENIOR PHOENIX INS. CO. OF HARTFORD.

In Memoriam.

1901.

William C. Butterfield,

ST. LOUIS, MO.

**General Adjuster
Phoenix Ins. Co. of Hartford.**

Died January 29, 1901.

AGED 60 YEARS.

The President—

The next order of business is the election of officers. There are to be elected a President, Vice-President, Secretary and Treasurer from among the thirteen Directors elected at this morning's session. Is it your pleasure to proceed immediately to this work, or would you like to have a recess?

A member moved that the Association proceed to the nomination of officers, which motion was duly seconded.

Mr. Odell—

Before we proceed with the election of officers, I notice we have Mr. Allison with us, and I would like to have him make a few remarks before that time, if he will do so.

The President—

I would be very glad indeed to hear from Mr. Allison, if he will favor us with a few remarks.

Gentlemen, I have the pleasure of presenting to you Mr. Allison, a gentleman whom you all know.

Mr. Allison was greeted with applause, and addressed the convention as follows:

Mr. Allison—

MR. PRESIDENT AND GENTLEMEN OF THE CONVENTION:

I am very much affected by the kindly compliment which you pay me. It is taking a rather mean advantage of the fact that I could not hear anything that lead up to this call for a speech, for I have nothing to talk about, and, therefore, knowing what I would say would only take up your time, and I know enough of the composition of this Fire Underwriters' Association of the Northwest to know that every one of you want to get down to the real business of electing the next President. I have come out of the ante-room, or lobby, where the politicians are at work, and I think if you don't turn them loose in a few minutes, they will pull down the hotel. So I beg you will excuse me.

ELECTION OF OFFICERS.

The President—

Gentlemen, the next order of business is the election of officers. There are to be elected a President, Vice-President, Secretary and Treasurer from among the gentlemen whose names I will now read, who were elected Directors at this morning's meeting: Messrs. J. G. Stauffer, F. W. Williams, J. A. Kelsey, J. L. Whitlock, D. S. Wagner, J. B. Tallman, J. H. Caswell, H. H. Friedley, H. N. Wood, J. M. Wallace, W. A. Chapman, J. K. Livingston and D. J. Matteson.

Mr. Moody—

Are nominations now in order?

The President—

Nominations are now in order.

Mr. Moody—

MR. PRESIDENT AND GENTLEMEN OF THE ASSOCIATION:

It is not only because Indiana stood at the birth of this Association and rocked it in its infancy and fed it in its maturity that we have a President to present, but we have one who has been conspicuously laborious in developing conditions which have resulted in co-operation and organization in the State of Indiana that has kept that State at the head of correct practices for a period of more than a quarter of a century.

In naming Mr. H. H. Friedley for that position, I desire to say that in all the districts in that state that have worked for correct practices, he has not only been abreast, but has been the leader. In conditions that have come up affecting insurance companies before the Legislature, Mr. Friedley was not designated because of his accomplishment, but because of his diplomacy to lead the forces that have kept down rattlesnake legislation that has prevailed in most of the states of the North, West and South. He is not only, Mr. President, a gentleman well equipped mentally, but his experience as a Local Agent, first as a Special Agent and then for many years as a leading Adjuster, and his mental capacity to dispatch business, fit him peculiarly to sustain the highest reputation that this organization has attained. And I appeal to this Association that Indiana, who has never been found wanting and who has asked few favors of this Association, shall be permitted to name the next President of this Association; and I appeal to every member here to vote for Mr. Friedley.

(Applause.)

Mr. Woodbury—

Coming from the State of Ohio, I rise to second the nomination of Mr. H. H. Friedley as President of this Association. If you elect him to that high position in this Association you will make no mistake. Ohio is willing to follow where Indiana leads.

(Applause.)

The President—

Mr. Friedley is nominated. Are there any other nominations?

Mr. John P. Hubble—

Many years ago it was my fate or fortune to represent a company that appreciated my work. They gave me room according to my strength. I went to many places that I had only theretofore known

as dots on the map and whose real existence was a matter of great doubt to me. Upon one of those pilgrimages I walked into a strange town and entered a strange hotel, cold, tired and hungry. I didn't know a soul in that state that I knew of, but I saw a crowd of good-looking, well-dressed men that I spotted at once as being Special Agents, and in the group was one man with a loud voice, and he said: "Gentlemen, I not only represent the largest company on earth, but the biggest company."

(Laughter.)

I didn't know the man at that time, but as soon as I registered I took pains to learn who he was. I soon learned that he could sing a song well and that he could tell a story so as to affect every one within hearing. Later years taught me that that man knew the insurance business just as well. We have had an opportunity at this meeting to see that he can tell what he knows just as well as he knows it himself.

Gentlemen, the man whose name I propose does not belong to any state; he is cosmopolitan; his reach is as broad as the experience of this Association, and it seems to me, if there is anything in geography, we should strike out and take in the whole map. I present to you, gentlemen, not Goliath, but the man who slew Goliath, Mr. Fred W. Williams.

(Applause.)

The President—

Is there a second to that nomination? Mr. F. W. Williams is nominated.

The nomination of Mr. Williams was seconded by Mr. Collins.

Mr. Kelsey—

I would like to second Mr. Williams' nomination.

Mr. Whitney—

The candidates who are mentioned for the Presidency of this Association are two of my most intimate friends, and it is a very hard matter for me to decide, one way or the other, which one I shall vote for; but having known Mr. Fred Williams for the last fifteen or sixteen years; known him when he first came into this country as a Special Agent, and having watched his course and the work that he has been called upon to do, I think I can safely say that there is not a member of this Association who has been so conscientious, so honest and so reliable in carrying on his vocation as Mr. Fred W. Williams. He is a young man who is naturally an insurance man. He has made the business of fire underwriting his study, and his very excellent paper which he gave to this meeting yesterday simply shows the stuff that the young man is made of.

At the earnest request of his associates from the State of Michigan, I rise to second his nomination.

(Applause.)

The President—

Are there any other nominations?

Mr. Kelsey—

In view of Mr. Whitney's having seconded the nomination, I want to say that my second was entirely of my own accord, but Mr. Whitney was so slow in getting on his feet that I was afraid our friend would go down without a second.

The situation here to-day among the candidates placed before us reminds me greatly of a sermon preached in our church not very many Sundays ago, where the pastor spoke of the selection of David for the appointment as king. He said that the wise men gathered at the home of David's father, and they called out all the brothers of David and passed them in review, and from the bunch they were well satisfied that David was there. Although when they started on this job they knew well in advance that David was the one they wanted, but they drilled out each of the other members to vote on him as a prospective king. And they all passed in review before the prophets, but David was out in the wilderness herding the sheep. They said, "Is this all the sons you have?" He said, "No, we have got a little fellow out there attending sheep." "Well," they said, "bring him in." They brought him in, and they said, "This is the man we want to be our king."

Gentlemen, the candidates here, in point of affection, it seems are all brothers of David, but there can be but one David, and Freddie is the David.

(Laughter and applause.)

The President—

Are there any other nominations? Messrs. H. H. Friedley and F. W. Williams have been nominated for the office of President. Are there any other nominations to be made at this time?

Mr. Eddy—

I find myself somewhat in the attitude of our last speaker. The orator of this occasion is not present; at least, he does not respond to his opportunity. There is another candidate, gentlemen, that we desire to have placed before this body, and before speaking his name or mentioning it I want to call the attention of some of these gray-heads around here to the change of conditions which has taken place ever since we introduced the idea of a friendly spirit of rivalry in these elections.

The election of President of this Association was generally transacted by a handful of men who would stay long enough to close the

business of the Association. At the present time we have taken so much interest, year after year, since the ten years ago when we left a handful of gentlemen in the room who selected me as your President, that we have succeeded in following that suggestion of having numerous candidates, in improving the temper of your representation, year by year, until it has become an honor that is sought by every member of this Association to become an officer of this Association.

We have rewarded a great many of our hard workers in this Association by bringing them to that high position. The one whom I have in mind is one who has attended every meeting since I have been a member—that is seventeen or eighteen years. I think I never have missed a meeting—I do not mean to if I can help it. They are too good to lose. Opportunities of this kind I don't let slip away from me if I can avoid it.

There is one man sitting around here somewhere who is not like a bump on a log though his name is Wood.

(Laughter.)

And while he does not claim to represent the biggest company in the world and the largest, it is a question whether he does or not. But I shall contend with him outside on that. But the Aachen & Munich, as big a company as it is, and as big a man as our friend who has been nominated to contend with Mr. Wood for this prize, and to Mr. Friedley also, I want to say that Mr. Wood has contributed to this Association some valuable papers and has worked upon some of the most important committees which have brought this Association to this high stand of which we are so proud.

I take pleasure in placing before you, gentlemen, and Mr. President, the name of Mr. H. N. Wood, of the North British and Mercantile Insurance Company.

(Applause.)

Mr. Palmer—

Mr. President, I have the kindest feelings towards the two gentlemen nominated—the three, really, but I am reminded now that it is nearly a quarter of a century since I first joined this organization. To-day we have a large delegation from west of the Missouri, and have had at every meeting for the last few years; and for seventeen years past Mr. H. N. Wood has never missed a meeting of this Association. He has always been with us, and during the entire quarter century that I have been connected with this Association we have never had a President from west of the Missouri.

I take great pleasure in seconding the nomination of my friend, Mr. H. N. Wood. To know him is to love him. He stands at the head of the fraternity in the West, one of the best men in the field and one of the best qualified men to serve as President of this Association that we have among us.

(Applause.)

Mr. McSween—

I rise to express my sentiments in regard to the candidate just named, Mr. Wood, and I want to add my testimony to his ability, his capableness in business and in every other way, so far as relates to the insurance business.

I have been a member of the Association since 1884; have never missed but one meeting, and I know that in that length of time the section west of the Mississippi has never been represented in the President's chair but once. I think it is due to our section that the next President come from that section of the territory covered by this Association.

I know Mr. Friedley very well, and to know him is to respect him; I know Mr. Williams very well, and to know him is to hug him, to love him; but to know Mr. Wood is to fall down and worship him.

(Applause.)

But I do not mean because of his stature and dignified bearing that he is particularly qualified; but, gentlemen of the Association, I assure you that if you are considerate enough to give us the say this time, in giving us the President of the Northwestern Association west of the Mississippi, you will not regret it as the next meeting of this Association passes by.

(Applause.)

Mr. Reynolds—

MR. PRESIDENT AND GENTLEMEN:

I am indeed sincere in my gratification at being able to second the nomination of Mr. Wood. I have known him for a great many years. He is and always has been a strong Christian gentleman, an honorable, fair-minded man and friend. As for correct practices, as referred to here a few minutes ago, Mr. H. N. Wood don't know what they are—

(Laughter.)

or incorrect practices, I should say.

(Laughter and applause.)

Mr. Cate—

MR. PRESIDENT AND GENTLEMEN:

I am not the orator that Mr. Eddy referred to that was late, but I want to say that twenty-five years ago a young man in Iowa graduated from Tabor College. I knew him well at that time and became intimately acquainted with him afterwards when he became the Special Agent of the State Insurance Company of Iowa, and subsequently the State Agent of the North British.

The candidates who have been presented here this afternoon are all friends of mine, and it is not because I think less of those men that

I am nominating or seconding the nomination of Mr. Wood this afternoon, but there is justice to be credited a man, and that man is the man whom I have mentioned, Mr. H. N. Wood. He has been for seventeen long years a member of this Association. He never has asked a favor of it; he never has held an office in the Association; he was asked to read a paper here, and you all heard it, and that paper was a credit, not alone to the man who prepared it, but it was an honor for the Association to have within its ranks a man whose brain was big enough and whose intellect was large enough to prepare such a paper as that.

It is true also, Mr. President, that that very man opposed me on the floor of this house two years ago in nominating a friend of his; the question has been asked me why I did not let that come into this Convention. My reply is that I am too broad-minded to let any such thing as that come into this Convention.

(Applause.)

While these other candidates are all good men, and I have nothing whatsoever to say against them, I ask the suffrage of this Convention this afternoon in the interest of a man whose integrity is irreproachable. He will lend dignity to the office and he will conduct the affairs of this Association in an honorable manner, with credit to himself and to the members who elected him. I therefore ask the suffrage of every man in this hall who can conscientiously cast his vote for H. N. Wood, Special Agent of the North British & Mercantile.

Mr. Cobban—

MR. PRESIDENT AND MEMBERS OF THE ASSOCIATION:

I am very glad I came here in time to add a few words of tribute to the worth of that noble member of our profession, Mr. H. N. Wood, of Omaha. In all the strain and stress of public life his every act has proven him to be that noblest work of God, an honest man. Measured by every standpoint, weighed in any balance, he rises to the fullest state of manhood. Look into his kindly eyes and see that within that mighty frame there dwells a soul sweet and tender, a heart instinct with love for all mankind, sympathizing with the sorrows and beating in harmony with all that is beautiful and good. In genial disposition, in ability to fill the office, in integrity of purpose, in loyalty to family, friend and fraternity, he stands without a peer.

(Applause.)

Mr. J. W. Hubble—

I understand that the President of this Association is elected by ballot, but I begin to feel that you are going to elect yours by rising vote, and I fear my candidate is going to get left, so I want to rise and second the nomination of Mr. Fred Williams again, as he is a little short.

(Applause.)

Mr. Abbott—

Mr. President, I am a stranger in this Association, and not knowing any of the gentlemen who have been nominated, and desiring to do my conscientious duty, with this multiplicity of nominations and good words I am becoming bewildered. That I may not lose my sense altogether, I move that the nominations for President be now closed.

The motion was seconded and carried.

A member moved that the President appoint four tellers.

The President—

The Chair was about to appoint two. Do you think four will be better?

We will proceed to ballot for the following gentlemen for the office of President of this Association. Messrs. H. H. Friedley, Fred W. Williams and H. N. Wood. I will appoint Mr. Frank A. Vernor, Mr. D. W. Andrews, Mr. Carroll DeWitt and Mr. E. V. Munn tellers. They will kindly divide the house among them and pass out the ballots.

During the progress of the taking of a ballot on the vote for President, Mr. Chamberlain said:

I would like to know whether we are playing baseball, football or attending an election of this Association. I rise to a point of order. I think these gentlemen are here for the purpose of transacting the business of this Association, and as soon as that is done I will arrange to turn over to you the city park so that you can go on with your hurrah. I am not a Democrat, but I am a particular friend of Mayor Carter Harrison and I will see that he takes good care of you.

The President—

I would like to announce the result of the first ballot:

Whole number of votes cast.....	247
Necessary for choice.....	124
H. N. Wood has.....	97
H. H. Friedley.....	81
F. W. Williams.....	69

No candidate having received the necessary number of votes—

(The speaker was here interrupted by cries for “Mr. Wood” and “Williams.”)

No candidate having received the necessary number of votes, we will now proceed to ballot again, but we cannot pass and collect these ballots until you gentlemen take your seats. Please come to order as soon as possible.

The second ballot having been taken, the President said:

Gentlemen, come to order and hear the result of the vote:

Total number of votes cast.....	244
Necessary for choice.....	123
Of which H. N. Wood has.....	106
H. H. Friedley.....	76
F. W. Williams.....	62

No election.

There being cries from the floor for "Messrs. Friedley and Wood," Mr. Williams was recognized by the Chair and spoke as follows:

MR. PRESIDENT AND GENTLEMEN OF THE FIRE UNDERWRITERS' ASSOCIATION OF THE NORTHWEST:

I deem it an honor and a privilege to have the opportunity of saying to you that I thank my friends for their kindness and their enthusiasm in my behalf. I take great pleasure also in giving way in my position in the field to the other gentlemen; and I take great pleasure in saying that either of them, in my opinion, will make you a President worthy of the Association and worthy of themselves.

Mr. Williams' remarks were received with cheers and calls for Mr. Friedley.

The President—

Gentlemen, I understand that the name of Fred W. Williams is withdraw. We will now proceed to pass the ballot for the third vote.

A third ballot having been taken, the President announced the result of the vote as follows:

Total number of votes cast.....	233
Necessary for choice.....	117
Mr. Wood.....	122
Mr. Friedley.....	111

Mr. Friedley—

Mr. Chairman, I beg to sincerely thank the friends that voted for me. I have the pleasing consciousness that I have never asked a man to vote for me, but I do desire now to move to make the nomination of Mr. Wood unanimous.

The motion was duly seconded.

The President—

Moved and seconded that the nomination of Mr. Wood for President of this Association be made unanimous.

The motion was carried unanimously and the President thereupon declared Mr. H. N. Wood elected President of the Fire Underwriters' Association of the Northwest for the ensuing year.

Mr. Wood—

GENTLEMEN OF THE FIRE UNDERWRITERS' ASSOCIATION OF THE NORTHWEST:

In 1883 I was graduated from college and began the fire insurance business. I had no thought at that time of giving my life to the work, but as I pursued it there came attachments to it, and among the attachments that came with it were the friendships which fell to me in this organization of which I am now called to the honorable position of President.

Gentlemen, I recognize the fact that I stand before the vigor and energy and push of the great Northwest, so far as fire insurance interests are concerned. I recognize the fact that among the gentlemen who now listen to my voice there sit the men who will make the underwriting history of the future. From the membership of this Association must be drawn the men who will say what the indemnity of the insurance company shall be, and where each shall go; and that I appreciate, in some small measure at least, the importance of this Association, and as to the weight of the responsibility of assuming the office of your President, I think I appreciate somewhat that as well. The highest point of ambition that a member situated anywhere in this section of the country could aspire to would be the Presidency of the Underwriters' Association of the Northwest. It is the largest fire insurance organization in the world, and I thank you kindly for having endowed me with so much honor this day. I confess that I did not think I was going to get there this morning, but the signs have changed very pleasantly throughout the entire day, and the scene of the last hour, of course, has been one of the happiest in my whole period.

I thank you most kindly for all you have done for me. I assure you that I appreciate it, and if, gentlemen, I may be able to furnish you such programs as have been furnished this Association in the past—none of which have excelled that to which we have listened to this week—I shall feel that I shall return to you the office for some one else to follow my footsteps and fill the place as well as I shall have done. I thank you kindly, and must leave you without further remarks, as I have had no opportunity to provide any for you.

The President—

Gentlemen, the next order of business is the election of a Vice-President. Nominations are in order.

Mr. Eddy—

MR. PRESIDENT AND GENTLEMEN OF THE NORTHWESTERN ASSOCIATION:

To show that Mr. Wood's friends, while intending to elect him when they started in, if they could honorably, did not do so with the

feeling of crowding out other worthy candidates; and to show the good-fellowship and the good feeling that I know prevails in this Association, I want to put in nomination for Vice-President of this Association a gentleman whom, while he does not represent the largest English corporation in the insurance business, may, if he is elected as Vice-President of this Association, be connected with one of the largest underwriting bodies known in this world. I therefore present with great pleasure the name of Mr. Fred W. Williams as candidate for Vice-President of this Association.

The nomination was duly seconded by a member.

Mr. Eddy—

I would ask as an honor to Mr. Williams, Mr. President, that the Secretary be authorized to deposit the vote of this Association for Mr. Williams as Vice-President.

The motion was duly seconded.

The President—

It is moved and seconded that the Secretary be authorized to cast the ballot of this Association for Mr. Fred W. Williams as Vice-President of the Association for the ensuing year.

It is carried unanimously, and the Secretary will cast the ballot of the Association for Mr. Williams as its Vice-President.

Mr. Williams—

MR. PRESIDENT AND GENTLEMEN:

I once was going along the main street of quite an important city and I noticed quite a commotion around the doorway of a building. Being young, as you can see, and quite curious, I went to see what the trouble was, and I got there just in time to see a man on a table and hear him say, "It is the third and last time."

I believe this is my third appearance upon this floor. I want to notify this body officially that in the canvass I made for the Presidency of this Association I made but one proposition. That proposition was made to the gentleman whom you honored with the Presidency. The proposition which I made to him I think was very fair, and it was simply this: "You are a candidate, and they say that I am. If you will come up on that platform and go four rounds with me, the victor gets the spoils."

(Laughter.)

He said he couldn't go one round and I said that was enough for me. Gentlemen, I thank you.

The President—

Gentlemen, before proceeding with the election of the other officers, I would like to remind those who were elected Directors at today's meeting that according to the By-laws there must be a meeting of the Directors immediately after the adjournment of this meeting, and

it will be held in the adjoining room, so that all those elected Officers and Directors to-day will kindly attend that Directors' meeting.

The next order of business is the election of a Secretary. Nominations are in order.

Mr. Townley—

I move you, sir, that the present Secretary have his office restored to him. I therefore place in nomination Mr. D. S. Wagner.

Mr. Abbott—

I wish to second the nomination of my friend Wagner and at the present time testify that there is not a dishonest hair in his head. With apologies to my friend Carlisle, I think he is the most *polished* gentleman in the room.

(Laughter and applause.)

The President—

Mr. D. S. Wagner has been nominated for Secretary. Are there any other nominations?

Mr. Greely—

I move you that the President of this Association cast the ballot of the Association for Mr. D. S. Wagner for Secretary of the Association for the ensuing year.

The motion was duly seconded and unanimously carried; whereupon the President declared Mr. D. S. Wagner elected as Secretary of the Association for the ensuing year.

The President—

Gentlemen, the next order of business is the election of Treasurer. Nominations are now in order for a Treasurer for the ensuing year.

Mr. Cate—

I place in nomination the name of Mr. J. A. Kelsey, the present Treasurer, and move that the Secretary cast the ballot of the Association in his favor.

The motion was duly seconded and unanimously carried. Whereupon the President declared Mr. Kelsey duly elected as Treasurer of the Association for the ensuing year.

Mr. John P. Hubble—

Gentlemen, I want to give notice that next year I shall introduce an amendment to the By-laws. I hereby give notice that at the next meeting I shall move to amend Section 9 of the By-laws so that it shall read as follows:

"That the officers of this Association shall consist of a President, Vice-President, Secretary and Treasurer, provided for by the Articles of Incorporation, all of whom shall be *ex-officio* members of the Board of Directors."

The change, if this should be enacted, is that instead of electing these officers from the Board of Directors, we will elect them directly from the floor. Under the rule this goes over until the next meeting.

The President—

Gentlemen, you have heard the motion, and if accepted it can be laid over for action until the next meeting.

Upon motion the notice was duly accepted and action thereon laid over until the next annual meeting of the Association.

RESOLUTION OF THANKS.

The President—

Is there any other business to bring before the Association before we adjourn? I think it proper some one should offer a vote of thanks to this hotel.

It was thereupon moved by Mr. Munn, seconded by Mr. Odell, that "a vote of thanks be tendered the Auditorium Hotel Company for their kindness and their treatment of the Association during these sessions."

The motion was unanimously adopted, and thereupon, upon motion duly seconded, the Thirty-Second Annual Meeting of the Fire Underwriters' Association of the Northwest was adjourned *sine die*.

MEETING OF THE BOARD OF DIRECTORS.

Present: Messrs. H. N. Wood, H. H. Friedley, J. A. Kelsey, D. S. Wagner, F. W. Williams, J. H. Caswell, J. L. Whitlock, J. K. Livingston, J. B. Tallman, J. M. Wallace, W. A. Chapman and J. G. Stauffer.

Meeting was called to order by the President, Mr. H. N. Wood.

Mr. H. H. Friedley moved that the Secretary be instructed to cast the ballot of the Association for the election of Mr. H. N. Wood as President of the Fire Underwriters' Association of the Northwest for the ensuing year.

Motion duly seconded and carried unanimously.

Mr. J. A. Kelsey moved that the President be instructed to cast the ballot of the Association for the election of Mr. F. W. Williams as Vice-President of the Fire Underwriters' Association of the Northwest for the ensuing year.

Motion seconded and carried.

The Secretary thereupon declared the election of Mr. H. N. Wood as President and Mr. F. W. Williams as Vice-President of the Association for the ensuing year, as duly ratified by the Board of Directors.

On motion of Mr. Friedley, duly seconded and carried, Mr. Joseph A. Kelsey was declared elected as Treasurer of the Association for the ensuing year.

On motion of Mr. Kelsey, duly seconded and carried unanimously, Mr. D. S. Wagner was declared elected as Secretary of the Association for the ensuing year.

Mr. D. S. Wagner—

The next thing in order is the election of a Finance Committee. Usually the Finance Committee is composed of three.

Mr. Kelsey—

I would like to suggest that these three men should be from Chicago, on account of submitting bills for their approval.

The President—

I will entertain a motion from Mr. Kelsey that these three names be elected for the Finance Committee for the ensuing year: Mr. J. L. Whitlock, Mr. J. B. Tallman and Mr. J. H. Caswell.

Whereupon Messrs. J. L. Whitlock, J. B. Tallman and J. H. Caswell were appointed to act as Finance Committee for the ensuing year.

Mr. Kelsey—

There is to be a Library Committee appointed.

The President—

I would suggest for your consideration the names of Mr. H. H. Friedley, Mr. J. G. Stauffer, Mr. J. M. Wallace and Mr. D. S. Wagner to act as Library Committee for the ensuing year.

Whereupon these gentlemen were duly appointed to act as Library Committee as there was no objection to a Committee of four.

Mr. Wagner moved that the salary of the Treasurer for the ensuing year be the same as last year, namely, \$250.00.

Motion seconded and carried.

On motion duly seconded and carried, the salary of the Secretary was fixed at \$450.00, same as formerly.

On motion of Mr. Caswell, duly seconded and carried, the Board adjourned subject to the call of the President.

DIRECTORY OF MEMBERSHIP.



NAME.	ADDRESS.	TITLE.	COMPANY.
Abbott G. B.,	Lincoln, Neb.,	Special Agent,	{ Farmers & Merchants Ins. Co., Lincoln, Neb.
Abbott W. S.,	Lapeer, Mich.,	State Agent,	
Adams Geo. W.,	Chicago, Ill.,	Adjuster.	{ North British & Mercantile Ins. Co.
Adams John H.,	St. Louis, Mo.,	Secretary.	
Affeld Chas. E.,	174 La Salle, Chicago,	General Agent,	{ American Central Ins. Co.
Alexander F. W.,	Indianapolis, Ind.,	Special Agent,	
Allabach E. W.,	Des Moines, Iowa,	Special Agent,	{ Hamburg-Bremen Fire Ins. Co.
Althouse W. L.,	Grand Rapids, Mich.,	Special Agent,	
Alverson H. C.,	Brie, Pa.,	Asst. Gen'l Agent,	{ Commercial Union Assurance Co.
Anderson Chas. H.,	Hannibal, Mo.,	Special Agent,	
Anderson Lew W.,	Cedar Rapids, Ia.,	Special Agent,	{ Manchester Fire Assurance Co.
Andrews C. L.,	Detroit, Mich.,	Vice President,	
Andrews D. W.,	St. Louis, Mo.,	Special Agent,	{ Ins. Co. of North America.
Andrus S. D.,	Chicago, Ill.,	Special Agent,	
Armstrong G. A.,	Detroit, Mich.,	State Agt. & Adjr.,	{ Philadelphia Underwriters.
Atwater Walter E.,	Iowa City, Iowa,	Special Agent,	
Atwood H. F.,	Rochester, N. Y.,	Secretary,	{ Northern Assurance Co.
Auerbach B.,	161 La Salle, Chicago,	Adjuster,	
Habcock E. J.,	Davenport, Ia.,	Secretary,	{ Springfield F. & M. Ins. Co.
Bailey J. W.,	Denver, Col.,	Special Agent,	
Bailey O. M.,	Cincinnati, O.,	Special Agent,	{ Detroit F. & M. Ins. Co.
Baker Thos. Jr.,	Fargo, N. Dak.,	Special Agent,	
Baldwin Dean A.,	Marion, Ind.,	Special Agent,	{ Royal Ins. Co.
Bament W. N.,	Cincinnati, O.,	Adjuster,	
Barnard C. F.,	Chicago, Ill.,	Adjuster,	{ Providence-Washington Ins. Co.
Barnes Fred. B.,	Oshkosh, Wis.,	Special Agent,	
Barney F. H.,	Minneapolis, Minn.,	Special Agent,	{ Aetna Fire Ins. Co.
Barnum H.,	Binghamton, N. Y.,	Supt. of Agencies,	
Barnum Raynolds,	Chicago, Ill.,	Special Agent,	{ Greenwich Ins. Co.
Barnum W. L.,	205 La Salle, Chicago,	Secretary,	
Barrett D. P.,	Grand Rapids, Mich.,	Special Agent,	{ Rochester-German Ins. Co.
Barry Chas. H.,	The Temple, Chicago,	Manager,	
Bassett Neal,	Chicago, Ill.,	Special Agent,	{ Pellet & Hunter.
Batchelder G. H.,	Denver, Col.,	Special Agent,	
Bawden E. T.,	Davenport, Ia.,	Special Agent,	{ Security Fire Ins. Co.
Becker E. A.,	Chicago, Ill.,	Adjuster,	
Beeson A. G.,	Omaha, Neb.,	Inspector.	{ Phenix Ins. Co., N. Y.
Belden J. S.,	Chicago, Ill.,	Manager,	
Bell G. H.,	Dayton, Ohio,	State Agent,	{ Ins. Co. of the Co. of Phila.
Benallack W. T.,	Detroit, Mich.,	Electrical Inspector.	
Benedict Frank M.,	Lawrence, Kan.,	Special Agent,	{ Queen Insurance Co.
Benedict H. F.,	Omaha, Neb.,	State Agent,	
Benedict H. O.,	Grand Rapids, Mich.,	Special Agent,	{ Merchants Ins. Co., N. J.
Bennett H.,	Cedar Rapids, Iowa,	Inspector.	
Bennett R. M.,	Springfield, Ill.,	Special Agent,	{ Westeru Adj. and Insp'n. Co.
Bennett Wm. L.,	Chicago, Ill.,	Special Agent,	
Best Jas. G. S.,	West Superior, Wis.,	Surveyor.	{ North British & Mercantile Ins. Co.
Birch W. H.,	Chicago, Ill.,	General Agent,	
Bissell R. M.,	Manhat'n Bdg., Chicago,	Manager,	{ Hanover Fire Ins. Co.
Blackwelder I. S.,	Rialto Bldg., Chicago,	Inspector,	
Blauvelt Albert,	218 La Salle, Chicago,	Special Agent,	{ Agricultural Ins. Co.
Bliven Waite,	Detroit, Mich.,	Special Agent,	
Bloom Chas. H.,	Detroit, Mich.,	Special Agent,	{ Glens Falls Ins. Co.
Bloom Nelson A.,	Chicago, Ill.,	Asst. Gen. Agent,	
Blossom Geo. W.,			{ Millers National Ins. Co.
			{ Traders Ins. Co., Chicago.
			{ Pennsylvania Fire Ins. Co.
			{ Firemens Ins. Co., Newark.
			{ Providence-Washington Ins. Co.
			{ Greenwich Ins. Co.
			{ Fire Association.
			{ North British & Mercantile Ins. Co.
			{ Niagara Fire Ins. Co.
			{ Western Assurance Co., Toronto.
			{ British America Assur. Co. Toronto.
			{ Phenix Ins. Co., N. Y.
			{ Aetna Ins. Co.
			{ Hartford Fire Ins. Co.
			{ Hartford Fire Ins. Co.
			{ Niagara Fire Ins. Co.
			{ Western Factory Assn.
			{ American Fire Ins. Co., Phila.
			{ Michigan F. & M. Ins. Co.
			{ Continental Ins. Co.
			{ National Fire Ins. Co., Hartford.

NAME.	ADDRESS.	TITLE.	COMPANY.
Bolling A. F.,	Louisville, Ky.,	Special Agent,	American Fire Ins. Co. of Phila.
Bonar L. J.,	Mansfield, O.,	State Agent,	Ins. Co. of North America.
Boning Herbert E.,	Cincinnati, O.,	Special Agent,	Philadelphia Underwriters.
Boorn W. C.,	Chicago, Ill.,		Caledonian Ins. Co.
Bort L. W.,	Beloit, Wis.,	Special Agent,	Hartford Fire Ins. Co.
Boughton T. C.,	Kalamazoo, Mich.,	Inspector,	Niagara Fire Ins. Co.
Bowers F. W.,	St. Louis, Mo.,	Special Agent,	
Bradley C. B.,	Chicago, Ill.,	Special Agent,	Phoenix Ins. Co. of Hartford.
Brant J. A.,	Minneapolis, Minn.,	Inspector,	
Briggs N. E.,	Chicago, Ill.,	Special Agent,	North British & Mercantile Ins. Co.
Briggs R. R.,	St. Paul, Minn.,	State Agt. & Adj.,	German Ins. Co., of Freeport, Ill.
Briggs Theo. W.,	Appleton, Wis.,	Special Agent,	Liverp. & London & Globe Ins. Co.
Brooks Fred. S.,	Detroit,	Special Agent,	Niagara Fire Ins. Co.
Brown Grant R.,	207 The Temple,	Sp'l Agt. & Adj.,	Pennsylvania Fire Ins. Co.
Brown Wm. C.,	Chicago, Ill.,	Special Agent,	Pennsylvania Fire Ins. Co.
Brown W. F.,	Jacksonville, Ill.,	Special Agent,	
Buck Fred. O'L.,	Denver, Col.,	State Agent,	Liverp. & London & Globe Ins. Co.
Bullard A. F.,	Kansas City, Mo.,	State Agt. & Adj.,	North British & Mercantile Ins. Co.
Burke F. H.,	Batavia, Ill.,	Special Agent,	Fire Association.
Burns M. J.,	Denver, Col.,	Manager,	
Burrows D. W.,	Chicago, Ill.,	General Agent,	Ins. Co. of North America.
Bush Harry R.,	Louisville, Ky.,	Special Agent,	Philadelphia Underwriters.
Bush Henry W.,	Chicago, Ill.,	Manager,	Caledonian Ins. Co.
Bush J. B.,	St. Louis, Mo.,	Special Agent,	Fire Association.
Caldwell J. T.,	Chicago, Ill.,	Inspector,	Millers National Ins. Co.
Calley E. J.,	179 La Salle, Chicago,	Special Agent,	London Assurance.
Campbell E. T.,	St. Louis, Mo.,	Asst. Secretary,	American Central Ins. Co.
Campbell S. F.,	Chicago, Ill.,	Special Agent,	Glens Falls Ins. Co.
Campbell Walter,	St. Louis, Mo.,	Special Agent,	
Carlisle E. G.,	Chicago, Ill.,	Local Agent,	Springfield F. & M. Ins. Co.
Carlisle Henry W.,	Chicago, Ill.,	Local Agent,	
Carpenter J. D.,	Des Moines, Ia.,	Special Agent,	Queen Ins. Co.
Carr J. H.,	St. Louis, Mo.,	Secretary,	Citizens Ins. Co.
Carroll Chas. E.,	St. Louis, Mo.,	Adjuster,	
Carson E. B.,	Chicago, Ill.,	Sp'l Agt. & Adj.,	Commercial Union Assurance Co.
Carver J. G.,	Detroit, Mich.,	Special Agent,	Liverp. & London & Globe Ins. Co.
Cary Eugene,	Chicago, Ill.,	Manager,	German-American Ins. Co.
Caswell Jas. H.,	Chicago, Ill.,	Adjuster,	Germania Fire Ins. Co., N. Y.
Cate S. E.,	Chicago, Ill.,	General Agent,	Union Ins. Co.
Cavanagh W. A.,	Chicago, Ill.,	Special Agent,	Ins. Co. of North America.
Chamberlin W. O.,	Minneapolis, Minn.,	State Agent,	Philadelphia Underwriters.
Champlin Fred M.,	Grand Rapids, Mich.,	Special Agent,	Niagara Fire Ins. Co.
Chapman E. F.,	Detroit, Mich.,	Inspector,	National Fire Ins. Co., Hartford.
Chapman W. A.,	Milwaukee, Wis.,	Special Agent,	Michigan Inspe. Bureau.
Chrissinger I. M.,	Chicago, Ill.,	Special Agent,	Connecticut Fire Ins. Co.
Chubb William,	Philadelphia, Pa.,	President,	
Clark A. A.,	Des Moines, Iowa,	Special Agent,	Reliance Ins. Co. of Phila.
Clarke H. W.,	Winona, Minn.,	Special Agent,	Phenix Ins. Co. of N. Y.
Clarkson H.,	Topeka, Kansas,	Mgr. Advisory Rate and Map Bureau,	
Clemons W. H.,	Cincinnati, O.,	Sp'l Agt. & Adj.,	Phenix Ins. Co. of N. Y.
Cloud Jos. A.,	Cincinnati, O.,	Special Agent,	Phoenix Assurance Co.
Clough Allen E.,	Chicago, Ill.,	Special Agent,	Pelican Assurance Co.
Cobban Walter H.,	Minneapolis, Minn.,		London Assurance.
Cochran J. W.,	Columbus, Ohio,	Inspector,	
Cockey S. T.,	Chicago, Ill.,	Special Agent,	Allemannia Fire Ins. Co.
Cofran J. W. G.,	Chicago, Ill.,	General Agent,	Hartford Fire Ins. Co.
Collins B. F.,	Kansas City, Mo.,	Special Agent,	Greenwich Ins. Co.
Collins Martin,	St. Louis, Mo.,	General Agent,	Fire Association, Phila.
Colson H. W.,	Chicago, Ill.,	Special Agent,	American Ins. Co., N. Y.
Conklin Walter,	St. Paul, Minn.,	Special Agent,	New York Fire Ins. Co.
Corbet J. C.,	Chicago, Ill.,	Asst. Manager,	National Assurance Co.
Corliss G. D.,	Chicago, Ill.,	Asst. Manager,	Northern Assurance Co.
Cormany W. A.,	Fort Scott, Kansas,	State Agent,	Merchants Ins. Co., N. J.
			Manchester Fire Assurance Co.

NAME.	ADDRESS.	TITLE.	COMPANY.
Cornell H. F.,	Detroit, Mich.,	General Agent,	German Ins. Co., Freeport, Ill.
Corry C. B.,	Bellefontaine, O.,	Special Agent,	Royal Ins. Co.
Coryell H. B.,	Omaha, Neb.,	State Agent,	Phenix Ins. Co., N. Y.
Cost J. A.,	Chicago, Ill.,	Special Agent,	Connecticut Fire Ins. Co.
Cowles C. S.,	Merriam Park, Minn.,	Special Agent,	Royal Ins. Co.
Crandall A. A.,	Minneapolis, Minn.,	General Agent.	
Crandall H. W.,	Merriam Park, Minn.,	Special Agent,	Imperial Ins. Co. Ltd.
Crandall W. H.,	Merriam Park, Minn.,	Adjuster.	
Cratsenberg A. A.,	St. Paul, Minn.,	State Agent,	German-American Ins. Co.
Criswell B. F.,	Topeka, Kan.,	Special Agent,	Palatine Ins. Co. Ltd.
Cromer John B.,	Indianapolis, Ind.,	State Agent,	Home Ins. Co., N. Y.
Croskey T. F.,	Chicago, Ill.,	Special Agent,	Ins. Co. of North America.
			Philadelphia Underwriters.
Crosley Geo. R.,	Ft. Madison, Ia.,	Special Agent,	British Amer. Assur. Co., Toronto.
Cunningham J. L.,	Glens Falls, N. Y.,	President,	Western Assurance Co., Toronto.
Curtis C. E.,	Chicago, Ill.,	Special Agent,	Glens Falls Ins. Co.
Dale John F.,	Omaha, Neb.,	State Agent,	Palatine Ins. Co. Ltd.
Dale Walter H.,	Omaha, Neb.,	Special Agent,	Phenix Ins. Co. of Hartford.
Dallas W. I.,	Omaha, Neb.,	Special Agent,	Prussian National Ins. Co.
Dana Francis,	Chicago, Ill.,	Special Agent,	Phenix Assurance Co.
Daniel R. E.,	Minneapolis, Minn.,	Adjuster.	Hartford Fire Ins. Co.
Daniel T. R.,	Minneapolis, Minn.,	State Agent,	
Daniel Wm. C.,	Columbus, Ohio,	Special Agent,	North British & Mercantile Ins. Co.
Danics W. H.,	Chicago, Ill.,	Adjuster,	Northern Assurance Co.
Dargan J. T.,	Atlanta, Ga.,		Continental Ins. Co.
Darlington Hart,	Madison, Wis.,	Special Agent,	Royal Ins. Co.
Davies John E.,	Racine Wis.,	State Agent,	Ætna Ins. Co., Hartford.
Davis Edward T.,	Minneapolis, Minn.,	Special Agent,	Palatine Ins. Co. Ltd.
Davis John H.,	Philadelphia,		
Dean A. F.,	Chicago, Ill.,	Asst. Manager,	Springfield F. & M. Ins. Co.
Deans Wm. A.,	Denver, Col.,	Special Agent,	For C. D. Cobb & Co.
De Camp Jas. M.,	Cincinnati, Ohio.,	General Agent,	Liverp. & London & Globe Ins. Co.
De Forest E. F.,	Chicago, Ill.,	Gen. Western Agt.,	Farmers Fire Ins. Co., York, Pa.
De Mott Howard,	Chicago, Ill.,	Asst. Manager,	North British & Mercantile Ins. Co.
De Roode Holger,	Chicago, Ill.,	Insurance Agent.	
De Veuve Jas. H.,	Kansas City, Mo.,	Special Agent,	
De Witt C. L.,	Indianapolis, Ind.,	Special Agent,	Glens Falls Ins. Co.
De Wolf J. H.,	Providence, R. I.,	President,	Providence-Washington Ins. Co.
Deyo W. S.,	Kansas City, Mo.,	Special Agent,	Fireman's Fund Ins. Co.
Diggins A. B.,	East St. Louis, Ill.,	State Agent,	Liverp. & London & Globe Ins. Co.
Dike Henry A.,	Chicago, Ill.,	Special Agent,	Fire Association.
Dillon A. J.,	Rochester, Ind.,		Continental Ins. Co.
Dinsley E.,	Chicago, Ill.,	General Agent,	Millers National Ins. Co.
Doepfers Aug. B.,	Indianapolis, Ind.,	Special Agent,	German Ins. Co. of Indiana.
Dow B. B.,	Chicago, Ill.,		London & Lancashire Fire Ins. Co.
†Downing J. F.			
Dox Chas. E.,	Chicago, Ill.,	Manager,	Orient Ins. Co.
Dreher E. W.,	Philadelphia, Pa.,	Special Agent,	Spring Garden Ins. Co.
Driscoll M. F.,	Chicago, Ill.,	General Agent,	Phoenix Assurance Co.
Drumm W. I.,	Topeka, Kas.,	Special Agent,	German-American Ins. Co.
Dudley W. W.,	240 La Salle, Chicago,	Secretary,	Governing Committee.
Duffey B. T.,	Detroit, Mich.,	Special Agent,	Royal Ins. Co.
Dunlop Chas. D.,	Chicago, Ill.,	Manager,	Providence-Washington Ins. Co.
Dunning F. A.,	Chicago, Ill.,	Special Agent,	MERCHANTS Ins. Co., Providence.
Dye J. O.,	Springfield, O.,	Special Agent,	National Assurance Co.
Easton C. L.,	Minneapolis, Minn.,	Special Agent,	Royal Ins. Co.
Ebbett Geo. G.,	138 La Salle, Chicago,	Special Agent,	Aachen & Munich Fire Ins. Co.
Eddy Geo. M.,	Chicago, Ill.,		Scottish Union & National Ins. Co.
Eddy H. C.,	Chicago, Ill.,	Resident Secretary,	
Edmonds J. F.,	Denver, Col.,	Resident Secretary,	Commercial Union Assurance Co.
Ely Wm. L.,	Monroe City, Mo.,	Special Agent,	Commercial Union Assurance Co.
			Ins. Co. of North America.
England J. J. L.,	Detroit, Mich.,	Special Agent,	Philadelphia Underwriters.
Engelmann C. F.,	Chicago, Ill.,	Adjuster.	Northern Assurance Co.
Brett F. J.,	St. Paul, Minn.,	Special Agent,	
Baler R. B.,	Chicago, Ill.,	Special Agent,	Fire Association.
Bapenscheid H. F.,	Chicago, Ill.,	Special Agent,	Niagara Fire Ins. Co.
Eustis Truman W.,	Chicago, Ill.,	Manager,	National Fire Ins. Co., Hartford.
			Manchester Fire Assurance Co.

† Honorary Member.

NAME.	ADDRESS.	TITLE.	COMPANY.
Evans A. N.,	Columbus, Ohio,	Special Agent,	R. I. Underwriters' Ass'n.
Everett H. E.,	Columbus, O.,	Special Agent,	Michigan F. & M. Ins. Co.
Faber Samuel E.,	Indianapolis, Ind.,	Special Agent,	Fire Association.
Fargo F. M.,	Chicago, Ill.,	Special Agent,	United Firemens Ins. Co.
Fargo W. D.,	St. Paul, Minn.,	Adjuster,	
Feller Wm.,	Chicago, Ill.,	Secretary,	Western Underwriters' Ass'n.
*Fertig C. T.,	Chicago, Ill.,		
Fisher G. M.,	Chicago, Ill.,		
Fisher Thos. A.,	Omaha, Neb.,		
Fisher Walter I.,	Minneapolis, Minn.,	Secretary,	Minnesota State Board.
Fleming J. D.,	Kansas City, Mo.,	State Agent,	Connecticut Fire Ins. Co.
Fletcher John S.,	Detroit, Mich.,	Special Agent,	Norwich Union Fire Ins. Society.
Foreman E. F.,	Chicago, Ill.,	Special Agent,	Franklin Fire Ins. Co., Phila.
Fort C. W.,	Kansas City, Mo.,	Special Agent,	Home Ins. Co., N. Y.
Foster Robert J.,	Cincinnati, O.,		
Foster Wm. R.,	Grand Rapids, Mich.,	State Agent,	N. Y. Underwriters' Agency.
Fowler Henry,	Cleveland, O.,	State Agent,	Home Ins. Co., N. Y.
†Fox W. F.,	Chicago, Ill.,		
Freeman E. S.,	Omaha, Neb.,	Special Agent,	Milwaukee Mechanics Ins. Co.
Friedley H. H.,	Indianapolis, Ind.,	State Agent,	{ Ins. Co. of North America.
Fulton W. H.,	Indianapolis, Ind.,	State Agent,	{ Philadelphia Underwriters.
Furlong John P.,	Chicago, Ill.,	Special Agent,	{ Fireman's Fund Ins. Co.
Gadsden C. R.,	Chicago, Ill.,	Adjuster,	{ Niagara Fire Ins. Co.
Gadsden J. S.,	Chicago, Ill.,	General Agent,	{ Etna Ins. Co. of Hartford.
Gallagher Thos. E.,	Cincinnati, O.,	General Agent,	{ Etna Ins. Co. of Hartford.
Gardiner David L.,	Chicago, Ill.,	Adjuster,	
Garrigue R. H.,	Chicago, Ill.,	Manager,	Merchants Ins. Co., N. J.
Garrison Chas. H.,	Detroit, Mich.,		Delaware & Reliance Ins. Co.
Gibbs H. M.,	Columbus, O.,	Special Agent.	
Gilbert C. B.,	Chicago, Ill.,		
Gilmore B. J.,	Chicago, Ill.,	Special Agent,	Northern Assurance Co.
†Glassford H. A.,	New York,	Retired.	
Glidden H. H.,	Chicago, Ill.,	Manager,	Chicago Underwriters' Ass'n.
Goddard B. H.,	Ogden, Utah,	Special Agent,	Liverp. & London & Globe Ins. Co.
Goff E. L.,	Philadelphia, Pa.,	Asst. Secretary,	Spring Garden Ins. Co.
Golden W. B.,	Milwaukee, Wis.,	Special Agent,	Manchester Fire Assur. Co.
Gooch Robt. E.,	Columbus, O.,	Special Agent,	Liverp. & London & Globe Ins. Co.
Goodloe T. M.,	Indianapolis, Ind.,	Manager,	Insurance Bureau.
Gordon Fred F.,	Chicago, Ill.,	Special Agent,	{ American Ins. Co. of N. J.
Gray H. P.,	Chicago, Ill.,		{ Security Ins. Co.
Gray J. H.,	Chicago, Ill.,	Special Agent,	North British & Mercantile Ins. Co.
Greely Otto E.,	Minneapolis, Minn.,	Adjuster,	Phenix Ins. Co., N. Y.
Greene F. M.,	Minneapolis, Minn.,	Special Agent,	Citizens Ins. Co., St. Louis.
Greer W. J.,	New York,	General Adjuster,	Norwich Union Fire Ins. Society.
Grenell Howard,	Chicago, Ill.,	Special Agent,	Atlas Assurance Co.
Gress A. R.,	Minneapolis, Minn.,	Special Agent,	{ Ins. Co. of North America.
Griffith J. H.,	Milwaukee, Wis.,	Sp'l Agt. & Adj.,	{ Philadelphia Underwriters.
Griffiths J. C. Jr.,	Chicago, Ill.,	Special Agent,	{ Western Assurance Co.
Hainsworth Jos.,	Chicago, Ill.,	Adjuster,	{ Palatine Ins. Co.
Hall Cecil A.,	Toledo, Ohio,	Special Agent,	{ Commercial Union Assurance Co.
Hall Chas.,	Milwaukee, Wis.,	State Agent,	{ German Ins. Co., Freeport, Ill.
Hall Henry,	Milwaukee, Wis.,	Special Agent,	{ United Firemens Ins. Co.
†Hall Henry H.,	New York,	Manager,	{ N. Y. Underwriters' Agency.
Hall J. B.,	204 La Salle, Chicago,	Sp'l Agt. & Adj.,	{ Continental Ins. Co.
Hall John R.,	Minneapolis, Minn.,	Special Agent,	{ Northern Assurance Co., England.
Hall Theo. D.,	Negaunee, Mich.,	Deputy Inspector,	{ Girard F. & M. Ins. Co., Pa.
Halle E. G.,	Royal Bldg., Chicago,	Manager,	{ Pennsylvania Fire Ins. Co.
Hallinan Thos. F.,	Chicago, Ill.,	Adjuster,	{ Michigan Inspection Bureau.
Hanrahan John,	Chicago, Ill.,	Special Agent,	{ Germania Fire Ins. Co.
Harding A. J.,	Chicago, Ill.,	Manager,	
Hardy Chas. F.,	Topeka, Kan.,	State Agent,	Liverp. & London & Globe Ins. Co.
Harford W. P.,	Omaha, Neb.,	Asst. Manager,	Springfield F. & M. Ins. Co.
Hart H. B.,	Cincinnati, Ohio,	General Agent,	{ Ins. Co. of North America.
Harvey Geo. M.,	Chicago, Ill.,	Local Agent,	{ Philadelphia Underwriters.
Harvey R. D.,	Chicago, Ill.,	Special Agent,	{ Etna Fire Ins. Co.
			{ Western Assurance Co.
			{ New Hampshire Fire Ins. Co.

* Associate Member.

† Honorary Member.

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Haselton F. C.,	Springfield, Ill.,	Special Agent,	Ætna Ins. Co.
Hatfield S. K.,	Peoria, Ill.,	Special Agent,	American Ins. Co. of N. J.
Haverstick Ralph,	Rock Island, Ill.		
Hawkins Chas. F.,	Denver, Col.,	Adjuster.	Fire Association.
Hawkins S. Y.,	Pinckneyville, Ill.,	Special Agent,	Commercial Union Assurance Co.
Hawxhurst W. F.,	Detroit, Mich.,	Special Agent,	Western Assurance Co., Toronto.
Hayes Geo. W.,	Milwaukee, Wis.,	Manager,	British Am. Assur. Co., Toronto.
Hayes Geo. W. Jr.,	New York City,	Broker,	Benedict & Benedict
Hayes J. J.,	The Temple, Chicago,	Special Agent,	R. I. Underwriters' Assn.
Head N. S.,	Minneapolis, Minn.,	Special Agent,	Franklin Fire Ins. Co.
Heaford H. H.,	Chicago, Ill.,	General Adjuster,	Phoenix Ins. Co., Hartford.
Hebgen Gust.,	Milwaukee, Wis.,	State Agent,	German Ins. Co., Freeport, Ill.
Hecox Charles L.,	Columbus, O.,	Special Agent,	American Fire Ins. Co. of Phila.
Hendry John E.,	Chicago, Ill.,	Spl. Agt. & Adj.,	Royal Exchange Assurance.
Herman W. H.,	Cleveland, Ohio,	Special Agent,	Spring Garden Ins. Co.
Herrick Geo. E.,	Chicago, Ill.,	Adjuster.	
Hershey H. H.,	Racine, Wis.,	Inspector.	
Heywood H. B.,	Indianapolis, Ind.,	Special Agent,	Hartford Fire Ins. Co.
Higbee W. E.,	Rialto Bldg., Chicago,	Manager,	Western Factory Ass'n.
Higley Chas. W.,	Chicago, Ill.,	Asst. Gen'l Agent,	Hanover Fire Ins. Co.
Hildreth L. E.,	N. Y. Life Bldg., Chicago,	Adjuster,	Hartford Fire Ins. Co.
Hill Charles S.,	Pueblo, Col.,	Special Agent,	
Hill Herbert C.,	Boston, Mass.,	General Adjuster,	For New England.
Hilton J. M.,	Chicago, Ill.,	Special Agent,	
Hinckley E. H.,	Kalamazoo, Mich.,	Special Agent,	Orient Ins. Co.
Hinsdale, A. M.,	Chicago, Ill.,	Special Agent,	Orient Ins. Co.
Hitchcock E. M.,	Northfield, Minn.,	Special Agent,	American Fire Ins. Co., Pa.
Hitchcock W. E.,	Omaha, Neb.,	State Agent,	Liverp. & London & Globe Ins. Co.
Hobbins J. N.,	Chicago, Ill.,	Special Agent,	Westchester Fire Ins. Co.
Holden W. Frank,	Omaha, Neb.,	Special Agent,	Spring Garden Ins. Co.
Hollinshead C. S.,	S. W. cor. 3d and Wal- nut, Philadelphia, Pa.,	President,	Union Ins. Co., Phila.
Holman Isaac W.,	The Temple, Chicago.		
Hoover John,	Dayton, O.,	Special Agent,	London & Lancashire Fire Ins. Co.
Hornby Ben H.,	Omaha, Neb.,	State Agent,	Pennsylvania Fire Ins. Co.
House Geo. H.,	Saginaw, Mich.,	Inspector,	
Howe H. I.,	Winona, Minn.,	Inspector,	South. Minn. Inspec. Bureau.
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Hubble L. J.,	Monmouth, Ill.,	Special Agent,	Hartford Fire Ins. Co.
Huff H. M.,	Chicago, Ill.,	Special Agent,	National Union Ins. Co., N. J.
Hunter R. H.,	Indianapolis, Ind.,	Special Agent,	Commercial Union Assurance Co.
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Irvin E. C.,	Philadelphia, Pa.,	President,	Fire Association.
Janvier Chas.,	New Orleans, La.,	President,	Sun Ins. Co.
Jardine Robert,	Chicago, Ill.,	Secretary,	Protection Mu. Fire Ins. Co.
Jessop R. N.,	Fairfield, Ill.,	Special Agent,	Phenix Ins. Co., N. Y.
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Johnson S. J.,	Minneapolis, Minn.,	Special Agent,	Phenix Ins. Co., N. Y.
Johnson W. N.,	Brie, Pa.,	Asst. Gen. Agent,	Ins. Co. of North America.
Johnson James C.,	Louisville, Ky.,	Adjuster.	Philadelphia Underwriters.
Jones David B.,	Minneapolis, Minn.,	Special Agent,	Millers & Manufacturers Ins. Co.
Jones N. B.,	Lansing, Mich.,	Special Agent,	American Fire Ins. Co., Pa.
Joseph Jas. F.,	Chicago, Ill.,	Asst. Manager,	Manchester Fire Assurance Co.
Julian N. T.,	Columbus, Ohio,	General Agent,	Agricultural Ins. Co.
Keeler N. E.,	Cincinnati, Ohio,	General Agent,	Ætna Ins. Co.
Kelday Wm.,	Louisville, Ky.,	Special Agent,	Commercial Union Assurance Co.
Kelley Chas. A.,	Terre Haute, Ind.,	Special Agent,	St. Paul F. & M. Ins. Co.
Kelley W. P.,	South Bend, Ind.,	Inspector,	South Bend and Mishawaka Board of Underwriters.
Kelly Wm. B.,	Philadelphia, Pa.,	General Agent,	American Fire Ins. Co., Pa.
Kelsey Benjamin,	Indianapolis, Ind.,	Adjuster,	Aachen & Munich Fire Ins. Co.
Kelsey H. N.,	N. Y. Life Bldg., Chicago,	Special Agent,	Norwich Union Fire Ins. Society.
Kelsey Jos. A.,	New York,	Manager,	Aachen & Munich Fire Ins. Co.
Kemp O. C.,	Chicago, Ill.,	Manager,	Delaware Ins. Co.
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King N. S.,	Columbus, O.,	Adjuster,	Hartford Fire Ins. Co.
King W. L.,	Chicago, Ill.,	Asst. Manager,	Queen Ins. Co.
Kingsley Cal. L.,	Waterloo, Iowa.		
Kitson Harry,	Detroit, Mich.,	Special Agent,	British America Assur. Co.
Kline G. B.,	Chicago, Ill.,	Manager,	Continental Ins. Co.
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Kreismann F. H.,	St. Louis, Mo.,	Local Agent.	
Kuhn Richard W.,	Denver, Col.,	Special Agent,	Royal Ins. Co.
LaBrande G. W.,	St. Paul, Minn.,	Inspector.	
Lamey H. T.,	Denver, Col.,	{ Mngr. Mountain } Department,	British America Assurance Co.
Law Geo. W.,	Chicago, Ill.,	Manager,	Western Assurance Co.
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Leisch C. W.,	Chicago, Ill.,	Special Agent,	New Hampshire Fire Ins. Co.
Lenahan J. H.,	Chicago, Ill.,	General Agent.	Michigan F. & M. Ins. Co.
Lent Louis A.,	Indianapolis, Ind.,	Sp'l Agt. & Adjr.,	Phenix Ins. Co., N. Y.
Letton T. W.,	Chicago, Ill.,	General Manager,	Pennsylvania Fire Ins. Co.
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Lockett S. H.,	Chicago, Ill.,	Manager,	{ North German Fire Ins. Co.
Loeb Adolph,	Chicago, Ill.,	U. S. Manager,	Transatlantic Fire Ins. Co.
Looney M. D.,	Sedalia, Mo.,	Special Agent,	Niagara Fire Ins. Co.
Lotz Fred W.,	Chicago, Ill.,	Asst. Secretary,	Westchester Fire Ins. Co.
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Marshall John Jr.,	Chicago, Ill.,	Asst. Manager,	British America Assurance Co.
Martin C. C.,	Kansas City, Mo.,	Manager,	Western Adjustment & Insp. Co.
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			Fire Association.
			Farmers Fire Ins. Co.
			Millers National Ins. Co.

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Redfield A. P.,	Chicago, Ill.,	Adjuster	Connecticut Fire Ins. Co.
Redfield Geo. E.,	Chicago, Ill.,	Adjuster,	Union Adjustment Co.
Redfield Geo. E. Jr.,	Chicago, Ill.,	Special Agent,	
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Reekie Chas. A.,	Detroit, Mich.,	Special Agent;	Detroit F. & M. Ins. Co.
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Schreiber Thor,	Chicago, Ill.,	Special Agent,	
Schrup N. J.,	Dubuque, Ia.,	Secretary,	Queen Ins. Co.
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Scott Walter,	Kansas City, Mo.,	State Agent,	Greenwich Ins. Co.
Sears M. L.,	Kansas City, Mo.,	State Agent,	Dubuque F. & M. Ins. Co.
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Shaw William,	Council Bluffs, Ia.,	Inspector.	
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Shepherd John E.,	Chicago, Ill.,	Special Agent,	
Sheridan J. P.,	East Saginaw, Mich.,	Special Agent,	Liverp. & London & Globe Ins. Co.
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Smith Thos. H.,	Dayton, Ohio,	State Agent,	
Snyder C. F.,	Indianapolis, Ind.,	Special Agent,	Manchester Fire Assurance Co.
Sonnen W. J.,	Chicago, Ill.,	Special Agent,	St. Paul F. & M. Ins. Co.
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Spear Theo. F.,	Cincinnati, Ohio,	General Agent,	Phenix Ins. Co., Hartford.
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Stafford John F.,	Minneapolis, Minn.,	Special Agent,	Orient Ins. Co.
Stark Byron G.,	New York City,	Mngr. West. Dept.,	London & Lancashire Fire Ins. Co.
Stark L. C.,	Chicago, Ill.,	Supt. Loss Dept.,	Caledonian Ins. Co., Scotland.
Starr J. A.,	Quincy, Ill.,		Royal Ins. Co.
Stauffer J. Geo.,	Decatur, Ill.,	State Agent,	Fireman's Fund Ins. Co.
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Stevenson J. H.,	Chicago, Ill.,	Adjuster,	Orient Ins. Co.
Stone John,	Indianapolis, Ind.,	Special Agent,	Hanover Fire Ins. Co.
Stuart H. C.,	Des Moines, Iowa,	Special Agent,	Providence-Washington Ins. Co.
Sullivan J. R.,	Milwaukee, Wis.,	Inspector.	
Sutton J. R.,	Hillsdale, Mich.,	Special Agent,	Fireman's Fund Ins. Co.
Sutton W. D.,	Milwaukee, Wis.,	Adjuster.	Home F & M. Ins. Co.
Tallman J. B.,	Minneapolis, Minn.,	Inspector.	
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Townsend A. F.,	Chicago, Ill.,	Special Agent,	Northern Assur. Cor.
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Vernor Frank A.,	Detroit, Mich.,	Special Agent,	Queen Ins. Co.
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Virgin C. R.,	Fairbury, Ill.,	Special Agent,	German-American Ins. Co.
Vogel C. M.,	Marion, O.,	State Agent,	Greenwich Ins. Co.
Vore Milton P.,	Chicago, Ill.,	Special Agent,	Manchester Fire Assurance Co.
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Young John R.,	Louisville, Ky.,	Special Agent,	Delaware & Reliance Ins. Cos.
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Aspinwall Sterne F.,	Grand Rapids, Mich.,	President,	Grand Rapids Ins. Co.
Atwood John,	Alton, Ill.,	President,	Illinois Mutual, Ill.
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Crooke George,	Evanston, Ill.,	Manager,	Western Adjust. and Insp. Co.
Crooke W. D.,	Chicago, Ill.,	Manager,	Northern Assurance, Eng.
Cunningham W. H.,	Chicago, Ill.,	Manager,	Fire Association.
Cunningham A. M.,	Louisville, Ky.,	Sup't Agencies,	Queen, of England.
Dean Thos. L.,	Chicago, Ill.,	General Adjuster,	Hartford Ins. Co.
De Camp D. J.,	Schenectady, N. Y.,	Special Agent,	Liverpool & London & Globe.
Devin David T.,	Chicago, Ill.,	Manager,	Reliance Ins. Co.
Dresser Jasper M.,	Lafayette, Ind.,	Financial Agent,	Delaware Ins. Co.
Ducat Arthur C.,	Chicago, Ill.,	Insurance Agent.	National, of Hartford.
Eaton Samuel S.,	St. Paul, Minn.,	Local Agent.	
Eggleston Seth,	Burlington, Ia.,	Adjuster,	Providence-Washington.
Engelbreton Wil- helm,	Rockford, Ill.,	Special Agent,	Rockford Ins. Co.
Euler Philip, Jr.,	Evansville, Ind.,	Special Agent,	Springfield F. & M.
Forbes Wells W.,	Richmond, Ind.,	State Agent,	Royal Ins. Co.
Franklin Morris,	New York City,	Secretary,	U. S. Branch Sun Fire Office.
Gilbert Geo. H.,	Chicago, Ill.,	Special, Agent,	Girard Fire & Marine Ins. Co.
Gould Geo. D.,	Chicago, Ill.,	Adjuster,	Independent.
Hall Geo. W.,	Negaunee, Mich.,	Inspector.	
Harbeck Eugene,	Chicago, Ill.,	General Agent,	Western Dept. Phenix Ins. Co., N. Y.
Harris J. S.,	Chicago, Ill.,	General Agent,	Metropole Ins. Co., Paris.
Hawley A. H.,	Le Roy, Ohio,	Secretary,	Ohio Farmers.
Hersh Geo. Edward,	York, Pa.,	President,	Farmers, York, Pa.
Hewitt Edgar A.,	New York,	Editor,	<i>Insurance Chronicle.</i>
Heywood P. P.,	Chicago, Ill.,	General Agent,	Hartford Ins. Co.
Hine Chas. C.,	New York City,	Editor,	<i>The Monitor.</i>
Hosmer Frank B.,	Chicago, Ill.,	General Insurance.	
Hough Judson B.,	Maroa, Ill.,	Special Agent,	Northwestern Nat'l Ins. Co.
Howard W. I.,	Chicago, Ill.,	Special Agent,	Western Assurance Co.
Ireton Edward L.,	Chicago, Ill.,	Adjuster,	Independent.
Johnson T. W.,	Chicago, Ill.,	Special Agent,	Sun Fire Office.
Keller P. C.,	Quincy, Ill.,	Special Agent,	Phenix Ins. Co., Hartford.
Lemon Chas. E.,	Indianapolis, Ind.,	State Agent,	Ins. Co. of North America. Philadelphia Underwriters.

In Memoriam—Continued.

NAME.	ADDRESS.	TITLE.	COMPANY.
Lewis Walter E.,	Chicago, Ill.,	Adjuster,	Independent.
Lumbard S.,	Fort Wayne, Ind.,	General Adjuster,	Phenix Ins. Co., N. Y.
Lyon William A.,	Madison, Ind.,	Special Agent,	Nat'l Fire Ins. Co., Hartford.
Maginn John W.,	St. Louis, Mo.,	State Agent,	N. Y. Underwriters' Agency.
Main Alex H.,	Madison, Wis.,	Special Agent,	German-American Ins. Co.
Marshall C. W.,	Urbana, O.,	Retired President,	
McGill M. R.,	Cincinnati, O.,	Special Agent,	Sun Insurance Office.
Mooney John C.,	Denver, Col.,	Special Agent,	Phenix, N. Y.
Morris Lewis R.,	Detroit, Mich.,	Manager,	Niagara Ins. Co., N. Y.
Morse Dr. Daniel,	Detroit, Mich.,	State Agent,	Home Ins. Co., N. Y.
Myers J. C.,	Detroit, Mich.,	State Agent,	Ins. Co. of North America.
Nieman A. D.,	Chicago, Ill.,	Special Agent,	Philadelphia Underwriters.
Page E. S.,	Des Moines, Iowa,	State Agent,	Orient Ins. Co.
Paige John C.,	Boston, Mass.,	Resident Manager,	Home Ins. Co., N. Y.
Peetrey Jacob,	London, Ohio,	State Agent,	City of London Fire of Eng.
Preston E. C.,	Detroit, Mich.,	Secretary,	Fire Association, Phila.
Reed J. S.,	Marion, Ohio,	(First President of	Michigan F. & M.
Reynolds Geo. W.,	St. Louis, Mo.,	Special Agent,	this Association.)
Rice E. F.,	Cincinnati, O.,	Adjuster,	Niagara Fire Ins. Co.
Roper Geo. S.,	Rockford, Ill.,	Secretary,	Etna, Hartford.
Ruegger S. A. D.,	Chicago, Ill.,	Special Agent,	Mfrs. & Merchants Mutual.
Schmemann Karl,	Detroit, Mich.,	General Agent,	N. British & Mercantile.
Schultz Daniel,	Milwaukee, Wis.,	General Agent,	Mil. Mechanics Ins. Co.
Schupp Simeon,	Chicago, Ill.,	General Agent,	Milwaukee Mechanics.
Seage Henry S.,	Lansing, Mich.,	Special Agent,	German, Freeport, Ill.
Sewell John,	Montreal, Canada,	General Adjuster,	Traders Ins. Co., Chicago.
Simonds E. A.,	Chicago, Ill.,	General Agent,	Royal Canadian Ins. Co.
Smith R. J.,	Chicago, Ill.,	Secretary,	Greenwich Ins. Co., N. Y.
Southwick S. H.,	Chicago, Ill.,	Adjuster,	Traders Ins. Co.
Spalding A. W.,	Chicago, Ill.,	General Agent,	Independent.
Stawitz Christian,	St. Louis, Mo.,	Adjuster,	Home Mutual, Cal.
Strickler David,	York, Pa.,	Secretary,	Hartford Fire Ins. Co.
Sweeney Anthony,	Denver, Col.,	State Agent,	Farmers Fire Ins. Co.
Thompson Frank A.,	Denver, Col.,	Underwriter,	American, Philadelphia.
Thomas John E.,	Dixon, Ill.,	State Agent,	
Tillotson D. C.,	Muskegon, Mich.,	Special Agent,	L. & L. & G. Ins. Co.
Travis A. C.,	St. Louis, Mo.,	Manager West- ern Dept.,	Westchester Fire Ins. Co.
Trumbull A. J.,	Merriam Park, Minn.,	Special Agent,	Firemens, Dayton.
Underwood T.,	Chicago, Ill.,	Adjuster,	Fire Association.
Vance J. P.,	53 West 3d, Cincin- nati, O.,	General Agent,	Independent.
Van Voorhis Frank,	Chicago, Ill.,	Adjuster,	Hamburg-Bremen, Germany.
Vernor Benjamin,	Detroit, Mich.,	Special Agent,	Union Ins. Co., Phila.
Warner D. B.,	Chicago, Ill.,	General Agent,	
Warner John H.,	Milwaukee, Wis.,	State Agent,	Springfield F. & M.
Warner Samuel R.,	Chicago, Ill.,	Asst. Manager,	Phoenix, London.
Waters A. J.,	Cleveland, Ohio,	State Agent,	Ins. Co. of North America.
Webber Hiram F.,	Dayton, Ohio,	Special Agent,	Philadelphia Underwriters.
Webster Thos. H.,	Chicago, Ill.,	General Agent,	Phoenix, London.
Wessenberg C.,	Mobile, Ala.,	General Agent,	Continental, N. Y.
Whitehead J. M.,	Chicago, Ill.,	Special Agt. and Adjuster,	Connecticut Ins. Co.
Whitlock H. H.,	Chicago, Ill.,	Manager,	Commerce Ins. Co. of Albany.
Wilson J. O.,	New York,	Business Manager,	Mobile Underwriters'.
Whiting J. H. C.,	Philadelphia, Pa.,	Editor,	Imperial, England.
Williams Abram,	Chicago, Ill.,	Manager,	Delaware Ins. Co.
Young Mar. V. B.,	Rochester, N. Y.,	General Agent,	Reliance Ins. Co.
			Ins. Monitor and Law Jour.
			Amer. Exchange & Review.
			Connecticut Fire Ins. Co.
			Commerce Ins. Co.

HISTORICAL.

ANNUAL MEETINGS OF THE ASSOCIATION.

1871—DAYTON, OHIO, February 22:

C. E. BLIVEN, Chairman.
*J. S. REED, President.

R. L. DOUGLASS, Vice-President.
C. E. BLIVEN, Sec. and Treas.

1871—INDIANAPOLIS, IND., July 25 and 26:

J. S. REED, President.
*A. C. BLODGET, President.

R. L. DOUGLASS, Vice-President.
C. W. MARSHALL, Vice-President.
C. E. BLIVEN, Sec. and Treas.

1872—DETROIT, MICH., July 17, 18 and 19:

A. C. BLODGET, President.

C. W. MARSHALL, Vice-President.
C. E. BLIVEN, Sec. and Treas.

1872—CHICAGO, ILL., September 18 (Special):

A. C. BLODGET, President.
*R. J. SMITH, President.

C. W. MARSHALL, Vice-President.
S. LUMBARD, Vice-President.
C. E. BLIVEN, Sec. and Treas.

1873—MILWAUKEE, WIS., July 16 and 17:

R. J. SMITH, President.

S. LUMBARD, Vice-President.
C. E. BLIVEN, Sec. and Treas.

1874—LOUISVILLE, KY., May 20 and 21:

R. J. SMITH, President.

S. LUMBARD, Vice-President.
C. E. BLIVEN, Sec. and Treas.

1875—CHICAGO, ILL., September 22, 23 and 24:

C. W. MARSHALL, President.

J. O. WILSON, Vice-President.
C. E. BLIVEN, Sec. and Treas.

1876—CHICAGO, ILL., September 27 and 28:

J. O. WILSON, President.

B. VERNOR, Vice-President.
C. E. BLIVEN, Sec. and Treas.

1877—CHICAGO, ILL., September 19, 20 and 21:

C. E. BLIVEN, President.

P. P. HEYWOOD, Vice-President.
GEO. W. HAYES, Sec. and Treas.

1878—CHICAGO, ILL., September 18 and 19:

I. S. BLACKWELDER, President.

J. M. DRESSER, Vice-President.
GEO. W. HAYES, Sec. and Treas.

1879—CHICAGO, ILL., September 17 and 18:

GEO. W. ADAMS, President.

W. B. CORNELL, Vice-President.
GEO. W. HAYES, Sec. and Treas.

1880—CHICAGO, ILL., September 8 and 9:

A. W. SPALDING, President.

A. J. WATERS, Vice-President.
GEO. W. HAYES, Sec. and Treas.

1881—CHICAGO, ILL., September 14 and 15:

J. M. DRESSER, President.

E. F. RICE, Vice-President.
GEO. W. HAYES, Sec. and Treas.

* Elected and entered upon their duties at this session.

HISTORICAL.

ANNUAL MEETINGS OF THE ASSOCIATION—Continued.

- 1882—CHICAGO, ILL., September 6 and 7:
W. B. CORNELL, President. J. M. NEUBERGER, Vice-President.
GEO. W. HAYES, Sec. and Treas.
- 1883—CHICAGO, ILL., August 29 and 30:
JAMES M. DE CAMP, President. C. W. POTTER, Vice-President.
GEO. W. HAYES, Sec. and Treas.
- 1884—CHICAGO, ILL., September 10 and 11:
CYRUS K. DREW, President. T. J. ZOLLARS, Vice-President.
J. C. GRIFFITHS, Sec. and Treas.
- 1885—CHICAGO, ILL., September 23 and 24:
J. L. WHITLOCK, President. T. H. SMITH, Vice-President.
J. C. GRIFFITHS, Sec. and Treas.
- 1886—CHICAGO, ILL., September 8 and 9:
W. F. FOX, President. H. H. HOBBS, Vice-President.
J. C. GRIFFITHS, Sec. and Treas.
- 1887—CHICAGO, ILL., September 14 and 15:
ABRAM WILLIAMS, President. W. R. FREEMAN, Vice-President.
J. C. GRIFFITHS, Sec. and Treas.
- 1888—CHICAGO, ILL., September 12 and 13:
ISAAC W. HOLMAN, President. J. C. MYERS, Vice-President.
J. C. GRIFFITHS, Sec. and Treas.
- 1889—CHICAGO, ILL., September 17 and 18:
JOHN HOWLEY, President. W. T. CLARKE, Vice-President.
J. C. GRIFFITHS, Sec. and Treas.
- 1890—CHICAGO, ILL., September 10 and 11:
E. A. SIMONDS, President. E. V. MUNN, Vice-President.
J. C. GRIFFITHS, Sec. and Treas.
- 1891—CHICAGO, ILL., October 7, 8 and 9:
H. C. EDDY, President. BYRON G. STARK, Vice-President.
E. V. MUNN, Sec. and Treas.
- 1892—CHICAGO, ILL., September 27 and 28:
H. P. GRAY, President. W. P. HARFORD, Vice-President.
E. V. MUNN, Sec. and Treas.
- 1893—CHICAGO, ILL., September 27 and 28:
EUGENE HARBECK, President. E. L. ALLEN, Vice-President.
E. V. MUNN, Sec. and Treas.
- 1894—CHICAGO, ILL., September 26 and 27:
H. CLAY STUART, President. GEO. M. LOVEJOY, Vice-President.
E. V. MUNN, Sec. and Treas.
- 1895—CHICAGO, ILL., September 25 and 26:
W. J. LITTLEJOHN, President. H. C. ALVERSON, Vice-President.
E. V. MUNN, Sec. and Treas.

HISTORICAL.

ANNUAL MEETINGS OF THE ASSOCIATION—Continued.

1896—CHICAGO, ILL., September 29 and 30:

GEO. M. LOVEJOY, President. H. T. LAMBY, Vice-President.
E. V. MUNN, Sec. and Treas.

1897—CHICAGO, ILL., September 29 and 30:

GEO. H. MOORE, President. J. A. KELSEY, Treasurer.
STEPHEN B. CATE, Vice-President. E. V. MUNN, Secretary.

1898—CHICAGO, ILL., September 27 and 28:

JOS. H. LENEHAN, President. J. A. KELSEY, Treasurer.
JOHN B. DAVIES, Vice-President. D. S. WAGNER, Secretary.

1899—CHICAGO, ILL., September 27 and 28:

FRANK H. WHITNEY, President. J. A. KELSEY, Treasurer.
W. R. TOWNLEY, Vice-President. D. S. WAGNER, Secretary.

1900—CHICAGO, ILL., September 26 and 27:

OTTO E. GREELY, President. J. A. KELSEY, Treasurer.
CYRUS WOODBURY, Vice-President. D. S. WAGNER, Secretary.

1901—CHICAGO, ILL., September 25 and 26:

P. D. MCGREGOR, President. J. A. KELSEY, Treasurer.
GEO. W. HAYES, Vice-President. D. S. WAGNER, Secretary.

1902—*

H. N. WOOD, President. J. A. KELSEY, Treasurer.
F. W. WILLIAMS, Vice-President. D. S. WAGNER, Secretary.

* Place and Date to be named.

OFFICERS ELECTED

AT THE

THIRTY-SECOND ANNUAL MEETING

OF THE

FIRE UNDERWRITERS' ASSOCIATION

OF THE NORTHWEST.

FOR THE ENSUING YEAR 1901-1902.

PRESIDENT.

H. N. WOOD.....OMAHA, NEB.
Special Agent North British & Mercantile Ins. Co.

VICE-PRESIDENT.

F. W. WILLIAMS.....CHICAGO, ILL.
Special Agent Aachen & Munich Fire Ins. Co.

TREASURER.

JOSEPH A. KELSEY.....NEW YORK, N. Y.
Manager Aachen & Munich Fire Ins. Co.

SECRETARY.

D. S. WAGNER.....CHICAGO, ILL.
Adjuster.

BOARD OF DIRECTORS.

J. G. STAUFFER, State Agent Fireman's Fund Ins. Co.....DECATUR, ILL.
F. W. WILLIAMS, Special Agent Aachen & Munich Fire Ins.
Co.....CHICAGO, ILL.
J. A. KELSEY, Manager Aachen & Munich Fire Ins. Co...NEW YORK, N. Y.
J. L. WHITLOCK, Manager Glens Falls Ins. Co.....CHICAGO, ILL.
D. S. WAGNER, Adjuster.....CHICAGO, ILL.
J. B. TALLMAN, Inspector Manchester Fire Assurance Co...CHICAGO, ILL.
J. H. CASWELL, Adjuster Germania Fire Ins. Co., N. Y.....CHICAGO, ILL.
H. H. FRIEDLEY, Adjuster Royal Ins. Co., England.....CHICAGO, ILL.
H. N. WOOD, Special Agent North British & Mercantile Ins.
Co.....OMAHA, NEB.
J. M. WALLACE, State Agent National Fire Ins. Co., Hart-
ford.....DAYTON, OHIO.
W. A. CHAPMAN, Special Agent Connecticut Fire Insurance
Co.....MILWAUKEE, WIS.
J. K. LIVINGSTON, Special Agent Pennsylvania Fire Insurance
Co.....JACKSON, MICH.
D. J. MATTESON, Special Agent Royal Ins. Co.....ST. LOUIS, MO.

